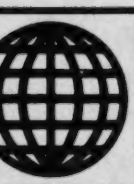

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Japan

Bush Welcomes Results of Kaifu Europe Tour

OW2601120690 Tokyo KYODO in English 1001 GMT 26 Jan 90

[Text] Tokyo, Jan. 26 KYODO—U.S. President George Bush has sent a letter to Japanese Prime Minister Toshiki Kaifu welcoming his pledge that Japan will play a more prominent role in Eastern Europe, Chief Cabinet Secretary Mayumi Moriyama said Friday.

Bush also called for closer bilateral consultations on international issues, and said the U.S. attaches "great importance" to the Structural Impediments Initiative (SII) talks aimed at reducing trade friction between the world's two largest economic powers, Moriyama said. Kaifu's personal effort to clarify Japan's role in Eastern Europe during this era of historic change is an important contribution to Western unity, Moriyama said, quoting Bush's letter.

The letter, addressed to Kaifu, was received on Thursday via the American Embassy in Tokyo, she said. Bush welcomed Kaifu's Berlin speech, in which the prime minister outlined Japan's international role in rapidly changing East-West relations and pledged economic assistance to Poland and Hungary, Moriyama told a regular news conference.

Kaifu promised to provide 2 billion dollars in economic assistance to Poland and Hungary during his 11-day trip to Europe earlier this month. The sum is second only to the 2.7 billion dollars offered by West Germany. Moriyama said the letter also welcomed Kaifu's initiative to strengthen relations between Japan, Europe and the United States.

Bush was quoted as saying the United States would like closer bilateral negotiations on international issues in order to promote world peace and prosperity. Moriyama said she interpreted the comment as a signal that Bush is interested in an early summit meeting with Japan's prime minister.

Bush did not mention a request by Kaifu made public earlier this week for a summit meeting following general elections set for February 18 in Japan, Moriyama said. Moriyama said Bush welcomed the visit earlier this month by Minister of International Trade and Industry Hikaru Matsunaga to explain a new program to boost imports.

Japan and the U.S. are expected to issue an interim report on the talks this spring. Japan's land policies and alleged discriminatory business practices, as well as the lagging competitiveness of U.S. industries are among the topics to be covered.

Abe Plans U.S. Visit After General Election

OW2601144390 Tokyo KYODO in English 1418 GMT 26 Jan 90

[Text] Tokyo, Jan. 26 KYODO—Former Foreign Minister Shintaro Abe said Friday he plans to visit the United States after the general election set for February 18, to reduce Japan-U.S. economic frictions. Abe was speaking in a video recording made in Tokyo for a commercial television station program to be broadcast later.

He said that both the U.S. Government and Congress were impatient as they could not push demands on economic structural issues out of consideration for effects on Japan's election. But the U.S. is expected to release a barrage of demands on the issues after the election, Abe said.

He said Japan-U.S. relations must be tightened and he wants to negotiate with U.S. congressional leaders on bilateral issues. Abe also indicated that if the ruling Liberal Democratic Party wins the election, he will support Prime Minister Toshiki Kaifu remaining in office.

Meeting With U.S. Divided Over Bid-Rigging

OW2601010190 Tokyo KYODO in English 0036 GMT 26 Jan 90

[Text] Washington, Jan. 25 KYODO—Japanese and U.S. construction industry leaders were sharply divided over Japan's "dango," or bid-rigging system, and its designated bidding system during their first industry-wide talks held in Washington on Thursday. Alaska Sen. Frank Murkowski, who helped bring the Japanese and U.S. industries together, said at the meeting, "construction access (in Japan) has troubled our trade relations for several years."

Michael Farren, undersecretary of Commerce for International Trade, told the meeting in the Senate's Hart Building that "dango," designated bidding, and other anticompetitive Japanese practices in the construction industry are hampering full entry of foreign construction, architectural, and engineering companies.

Hajime Sako, chairman of the Japan Federation of Construction Contractors (JFCC), defended the practices at a news conference.

"Every country has its own regulations and system," said Sako, chairman of Taisei Corp., one of Japan's largest general contractors. JFCC Executive Director Minoru Fukuchi said, however, the Japanese industry group is studying steps to change some of those practices, which the U.S. says are driving up construction costs in Japan.

Deputy U.S. Trade Representative Linn Williams expressed the hope at the conference that Japan would increase opportunities for U.S. firms to participate in public works projects beyond the 14 such projects under

a current bilateral agreement. The two countries will review the 1988 agreement in May.

Mark Chalpin, vice president of the National Constructors Association, said in an interview that the Japanese construction industry should change "dango" and other innate anticompetitive practices if it is to forge a "recriprocal" relationship with the U.S. industry. He said U.S. firms are seeking "a fair chance to compete" in the Japanese market and Japanese cooperation in sharing information on its Official Development Assistance (ODA) projects in other countries.

"These communication lines are useful," Chalpin said of the first U.S.-Japan construction industry meeting. "But much more progress needs to be made" in opening up the Japanese market.

Naha Adopts Resolution on Near-Miss Incident

OW2301060790 Naha NHK Television in Japanese 0315 GMT 23 Jan 90

[Text] In connection with successive air near-miss incidents between Japan Air Lines and U.S. military aircraft on 10 and 11 January, the Naha municipal assembly today held an extraordinary session to adopt a protest resolution addressed to the U.S. Embassy in Japan and others. The air near-miss incidents in question took place when a Japan Air Lines passenger aircraft, which took off from Naha Airport, passed by U.S. Forces F-16 fighters with an altitude difference of about 150 meters on 10 and 11 January. The Naha municipal assembly held the extraordinary session at 1000 [0100 GMT] this morning and at the outset of the session, unanimously adopted the protest resolution addressed to U.S. Embassy and U.S Forces Command in Japan, as well as a statement addressed to Prime Minister Kaifu and the transportation minister. In the protest resolution, the assembly contended that the Okinawan skies are in danger because of military priority, calling for quick investigations and publication of the truth about the incidents, as well as safety of civilian aircraft and exclusive air control by the Japanese. In the statement, the assembly called for the exclusive use of Naha Airport—which is currently being used jointly by military aircraft of the Self-Defense Forces and civil aircraft—by the civil authorities.

The assembly adopted a resolution condemning the shooting of Nagasaki Mayor Motoshima and pledging to defend democracy. The assembly closed the session before noon.

NHK Interviews Zou Jiahua on Economic Issues

OW2501150290 Tokyo NHK General Television Network in Japanese 1200 GMT 25 Jan 90

[Interview with Zou Jiahua, visiting Chinese minister in charge of the State Planning Commission, by NHK newscaster Takenobu Fujita; interview held "earlier in the day" before Zou's departure for home; place not given; newscaster's questions translated from Japanese while Minister Zou's answers are from Mandarin; from the "NHK News Today" program—recorded]

[Excerpts] [Fujita] It should be said that, right now, economic relations between Japan and China are not necessarily normal. Have you been able to have good discussions with the Japanese Government on the issue of normalizing the economic relations?

[Zou] During the past few years since the normalization of our diplomatic relations in 1972, our two nations have made favorable development in promoting our relations in various fields, including the political, economic, and cultural fields. However, recently some transitional difficulties have emerged. But through mutual efforts, we are confident that they can be overcome.

[Fujita] I would like to ask you a little more in that respect. Has the Japanese Government given a firm promise to you regarding the resumption of the third yen loan?

[Zou] As far as loans provided to China by Japan, including the first, the second, and the third yen-based loans, are conerned, they constitute part of the programs for promoting economic cooperation between China and Japan. And we highly appraise the decision made by Japan in this connection.

During the first period of the third yen-based loans, we encountered some difficulties and our work has been suspended. However, I feel that we will be able to continue promoting our work in the future. We welcome all friendly nations to join us in developing cooperative relations. And in implementing our reform and open policies, we welcome various nations to make investments in China and to cooperate with us.

[Fujita] [Passage omitted] We understand that China is carrying out economic adjustments. Have the adjustment efforts been fruitful? What are the present situations in commodity prices, international financial position, and employment to be specific?

[Zou] Due to overheated economic development in excess of our national capacity, many problems have arisen. We are earnestly solving these problems. In the course of solving these problems, we will have to appropriately readjust the industrial structure, which in turn will give rise to new problems, including the problems of prices and employment as you have just mentioned. Now, we are taking active steps to solve these problems. We believe that these problems are problems in the course of advance which can be solved through improvement and rectification of the economy.

[Fujita] Mr Minister, how much longer do you personally think these adjustment efforts will continue?

[Zou] In light of the progress and the estimate of the Chinese Government, we at first expected to complete the task of improvement and rectification in 3 years or a little longer. Some of the problems are major, long-term

economic ones and we may not be able to solve them in 3 years. It may take longer than 3 years. Take industrial restructuring for example. We need to build more energy and power projects. These projects cannot be completed in 2 or 3 years; they need more time. These projects are wholly connected with the task of improvement and rectification. I believe that it is entirely possible to complete them in 3 years or longer.

[Fujita] In reference to China's lifting of martial law in Beijing, Japan interprets this as a change in China's policy and thinks that China will step up its reform programs. Is this interpretation or understanding correct?

[Zou] China's general policy of reform and opening up to the outside world will not be affected by some small, specific problems that arise in the course of implementing this policy. Our policy of reform and opening up has not changed since 1979 and it will remain unchanged for a long time to come. The lifting of martial law imposed in some parts of Beijing has also contributed to improving the conditions for further implementing the policy of reform and opening up.

Zou Jiahua Leaves Tokyo for Home

OW2501141290 Tokyo KYODO in English 1236 GMT 25 Jan 90

[Text] Tokyo, Jan. 25 KYODO—China's State Planning Minister Zou Jiahua left Narita International Airport for Beijing on Thursday, ending a 10-day visit to Japan. Zou arrived in Tokyo on January 16 as the most senior Chinese official to visit Japan since high-level contacts were suspended in the aftermath of the prodemocracy crackdown in Beijing last June.

Zou gave assurances of Beijing's resolve to maintain its reform and open-door policies during separate meetings with Prime Minister Toshiki Kaifu and Foreign Minister Taro Nakayama on Tuesday. Zou also met with Japanese business leaders.

Talks With PRC Foreign Ministry Officials Planned

OW2601141090 Tokyo KYODO in English 1313 GMT 26 Jan 90

[Text] Tokyo, Jan. 26 KYODO—Japanese and Chinese Foreign Ministry officials may hold their 10th round of talks in Beijing in March, a senior Foreign Ministry source said Friday. The source also indicated that the two countries have already entered into preparations for the holding of the sixth Japan-China 21st Century Friendship Committee meeting in Beijing this spring.

During the official talks, the two sides are expected to discuss the timing of a resumption of bilateral cabinet-level meetings, suspended as part of Japan's ban on high-level contacts with China following the crackdown on the pro-democracy movement last June, sources said. The talks will also likely encompass such issues as the situation on the Korean peninsula, the Kampuchean peace process, developments in China's open-door and reform policies, and bilateral relations in general, they said.

Japan will be represented by Deputy Foreign Minister Hisashi Owada, while his counterpart will likely be Xu Dunxin, who was recently promoted to assistant foreign minister and is tipped to become a vice minister, according to the sources.

Foreign Ministry Spokesman Taizo Watanabe confirmed that Japan is considering a resumption of consultations between Japanese and Chinese foreign policy authorities "in order to restore bilateral ties through mutual efforts." But he said no date has been set, nor have the delegates been named.

Watanabe stressed that the wide-ranging talks, which were last held in March, would not dwell on the issue of Japan's resumption of economic assistance to China, namely its 810-billion-yen third loan package for 1990-95. But another official said the subject would likely be addressed, the extent to which would depend on how far relations have progressed by that time.

Japan's desire to hold the Japan-China 21st Century Friendship Committee meeting was conveyed to China during talks on Tuesday between Foreign Minister Taro Nakayama and visiting State Planning Minister Zou Jiahua. Japan insists that it still abides by its agreement at the Paris summit of advanced industrial nations last July to suspend "high-level" contacts with China.

But amid its repeated warnings that China should not be "isolated from the international community," at least three such meetings have taken place since July, including two foreign ministerial meetings in August and September and Zou's recent visit to Tokyo.

Owada's visit to Beijing as well as that last week of Foreign Ministry aid official Koichiro Matsuura do not qualify as "high-level" contacts, officials said.

PRC Official Seeks Early Resumption of Loans

OW2301154690 Tokyo KYODO in English 1345 GMT 23 Jan 90

[Text] Tokyo, Jan. 23 KYODO—Zou Jiahua, head of China's State Planning Commission, asked Finance Minister Ryutaro Hashimoto in Tokyo on Tuesday to press for the early resumption by Japan of its yen loans to China, government officials said. Japan froze its loan pledges to China following the military suppression of pro-democracy demonstrators in Tiananmen Square last June.

Hashimoto told Zou he hopes that it will become possible to send a preliminary survey team to China to study resumption of loans as soon as possible, the officials said. He asked China to make efforts to facilitate a thaw in the international attitude toward that country to improve prospects of resuming loans, they said.

Delegation To Study Loan Program for China

OW2301183190 Tokyo KYODO in English 1503 GMT 23 Jan 90

[Text] Tokyo, Jan. 23 KYODO—Japan will send a government-sponsored delegation to China in late February to study the feasibility of resuming its six-year, 810-billion-yen loan program to China, government sources said Tuesday. The sources said the delegation will conduct an investigation into two Beijing construction projects—a pumped hydroelectric power plant costing 8 billion yen and an environmental protection center worth 10 billion yen. The loan program was suspended in the wake of China's military crackdown on pro-democracy demonstrators last June.

The decision to send a study group apparently came after Prime Minister Toshiki Kaifu, major cabinet members and business leaders held talks with China's State Planning Minister Zou Jiahua, who is now on a 10-day visit to Japan through Friday. Zou, as head of the State Planning Commission, is the top Chinese official responsible for the 810 billion yen in low-interest loans for 1990-1995. During a series of talks with top Japanese leaders, Zou gave assurances of Beijing's resolve to maintain its reform and open-door policies, Japanese Foreign Ministry officials said Tuesday.

Last Friday, Koichiro Matsuura, Foreign Ministry's top aid official who visited China on January 18-19, also said Beijing stressed its desire to maintain such policies and urged Japan to resume economic assistance to China.

Steelmakers Reach Export Sales Accord With PRC

OW2501111990 Tokyo KYODO in English 1022 GMT 25 Jan 90

[Text] Tokyo, Jan. 25 KYODO—Nippon Steel Corp. said Thursday it and five other big steelmakers have agreed with China on export terms for the first half of 1990 which would cut exports dramatically to the major market for Japanese steel. The accord, which came after nearly 2 months of tough negotiations, sets export volume at some 500,000 metric tons, about half the size for a normal year, Nippon Steel officials said.

The products, slated for April-July shipments, exclude seamless steel pipes, they said. The two parties also agreed to cut export prices by several percentage points in dollar terms from a year earlier. The officials declined to disclose specific figures for price cuts.

The price reduction, the first since the first half of 1986, reflected China's deteriorating foreign exchange reserves due to Western economic sanctions following Beijing's military crackdown on prodemocracy protests last June. The five other companies are NKK Corp., Kawasaki Steel Corp., Sumitomo Metal Industries Ltd., Kobe Steel Ltd. and Nisshin Steel Co.

The agreement with China makes it certain that Japan's overall steel exports will fall below 20 million tons in 1990 unless big spot contracts come, according to an official of the Japan Iron and Steel Federation, a trade group for steel companies.

The official forecast that exports to China are expected to have dropped to some 1.21 million tons in the second half of 1989 due to a delay in shipments. Some 1.5 million tons would have been exported during the period under a contract.

378 Chinese Boat People Ordered Deported

OW2401025590 Tokyo KYODO in English 0132 GMT 24 Jan 90

[Text] Fukuoka, Jan. 24 KYODO—Immigration authorities Wednesday ordered the deportation of a group of 378 Chinese who entered Japan last year posing as Vietnamese boat people, officials said. Officials of the Fukuoka Immigration Bureau said the 378 arrived in southwestern Japan between August and October 1989 in five separate boats. The officials said they have determined the Chinese are mostly from southeastern Fujian Province and came to seek jobs in Japan. This will be the second group of Chinese refugees to be deported. The first group of 301 Chinese, also from Fujian Province, was deported to China on December 21.

Immigration authorities transferred some of the 378 from the Omura refugee reception center in Nagasaki Prefecture to immigration detention centers in Fukuoka, Osaka, Kobe, and Shimonoseki on Wednesday morning for deportation procedures. The rest were detained in Omura pending deportation. The government plans to undertake repatriation "as early as possible" following China's official confirmation that the deportees are Chinese citizens.

Between May and October last year, 2,804 boat people on 22 separate boats arrived in Japan. Many of them were later found to be Chinese posing as Vietnamese refugees in order to seek jobs in Japan. Japan does not accept refugees who come purely for economic purposes.

Detailed information about the fate of the Chinese refugees already returned to China could not be obtained, but government officials have said China informed Japan that Chinese refugees repatriated from Hong Kong in the past were fined and sentenced to several days of unpaid labor.

Dissident in Japan Granted Asylum in Canada

OW2301144890 Tokyo KYODO in English 1405 GMT 23 Jan 90

[Text] Narita, Chiba Pref., Jan. 23 KYODO—A woman who took part in China's pro-democracy movement last year will leave for Canada in early February after spending seven months in seclusion at an airport hotel

here, sources said on Tuesday. The Canadian Government has granted asylum to the 32-year-old Chinese woman, whose identity is being withheld. The woman, from an area near China's border with Hong Kong, fled to Hong Kong when she learned that Chinese public security officials had arrested her activist husband and were investigating her role in the crushed movement. She boarded a Japan Airlines (JAL) jetliner bound from Hong Kong for Saipan via Narita in early July, the sources said.

The woman initially asked for political asylum in Saipan, a self-governing commonwealth of the United States. But both Saipan and Hong Kong refused her entry, sending her on to Narita, the sources said. The woman had abandoned her passport for security reasons before arriving here and was not granted legal entry into Japan, which bans the entry of foreign residents without passports. But JAL defied an immigration regulation which demands that carriers return those who are banned entry, out of consideration for human rights protection, and began negotiations with Canadian authorities, the sources said. The woman had no intention of seeking political asylum in Japan, they said. The woman, claiming that she took an 'active' part in the movement, pasting up foreign newspapers around the city she lived in, said she would be killed if she returned to China, the sources said.

She reportedly said that she has been under constant persecution due to her father being a senior military officer of Kuomintang (Chinese Nationalist Party) forces, which were defeated by the Chinese Communists in the civil war. While denying any hope of changes in the current Chinese Government, the woman expressed her wish to return home when democratization is achieved.

The woman was allowed little freedom during her seven-month stay in a hotel at the airport because of her exceptional legal status. JAL must pay the expenses, now reaching over 10 million yen. The woman's stay was the longest that a person has been allowed to linger in Japan after having been legally denied entry, the sources said.

Foreign Ministry officials have tried to persuade the woman to go back to China, apparently caught between their desire to protect her human rights and maintain good relations with China. The Japanese Government has recently come under fire for its handling of a Chinese hijack suspect after it decided to send the man back to China. Chinese authorities have harshly condemned the movement centered on Beijing's Tiananmen Square and have executed civilians for crimes connected with the demonstrations.

Ethnic Unrest May Postpone Shevardnadze Visit

OW2601111990 Tokyo KYODO in English 1103 GMT 26 Jan 90

[Text] Tokyo, Jan. 26 KYODO—Soviet Foreign Minister Eduard Shevardnadze may postpone a visit to Japan planned for March, depending on the outcome of a meeting of the Soviet Communist Party's Central Committee next month, an informed Japanese source said Friday.

"The meeting is likely to be tense due to ethnic strife in Azerbaijan," the source said.

Foreign Ministry Spokesman Taizo Watanabe told a news conference that Japan has not received any official information indicating that the visit for regular foreign ministerial consultations would be canceled. But he said Japan is concerned about the Soviet Union's domestic situation in the aftermath of violence in Azerbaijan, where there have been ethnic clashes and confrontations with Soviet troops.

"We are concerned because anything could happen," Watanabe said.

Relations with Moscow improved earlier this month after former Foreign Minister Shintaro Abe declared the Soviet Union had demonstrated a "major change" in attitude toward Tokyo following a meeting with Soviet President Mikhail Gorbachev in Moscow. The two neighbors have long been at odds over a territorial dispute involving islands east of Hokkaido occupied by the Soviet Union since World War II.

Bank of Tokyo Plans Office in East Berlin

OW2501042690 Tokyo KYODO in English 0321 GMT 25 Jan 90

[Text] Tokyo, Jan. 25 KYODO—The Bank of Tokyo is planning to open a representative office in East Berlin, bank officials said Thursday. The bank is seeking the Finance Ministry's permission to open the office, which would be the first 100-percent Japanese banking foothold in an East European country, in April, the officials said. No non-European banks have yet established offices in East Berlin, they said.

The Bank of Tokyo plans to upgrade the facility into a branch office after one year of operation, according to the officials. The bank is apparently eyeing expanding business opportunities with East European countries amid their ongoing reforms aimed at establishing free-market economies.

The Berlin office is expected to serve as a vehicle for Japan's financial support for the East European nations as well as for Japanese companies advancing into the region, the officials said. East Germany was selected as the bank's first East European foothold because the country is the most stable economically in the region and enjoys full economic support from West Germany, they said.

The largest part of the work of the Berlin office will be extending loans to the East German Foreign Trade Bank, which handles the country's financial transactions with foreign institutions, they added.

Official Sees Relaxation of Cocom Regulations

OW2301153790 Tokyo KYODO in English 1337 GMT 23 Jan 90

[Text] Tokyo, Jan. 23 KYODO—Japan and the United States will likely hold consultations soon on easing restrictions on high-technology exports to Eastern European nations, a Japanese Foreign Ministry spokesman said Tuesday. Spokesman Taizo Watanabe told reporters that a U.S. envoy will likely come to Japan for consultations on the issue before the Coordinating Committee for Multilateral Export Controls (Cocom) meet in Paris in mid-February.

Watanabe made the remarks in connection with a high-ranking U.S. delegation's visit to Europe armed with what is reported by THE WASHINGTON POST to be a "new administration position" in support of sales of advanced computers and other high-technology items to reformist Eastern European nations.

"We expect we would be duly informed by the U.S. Government (of the proposal) when they have finished their talks with their European friends," the spokesman said. Watanabe said the purpose of the talks in Japan would be "to confirm our respective positions," which he described as "very similar to each other."

Japan also holds that Cocom regulations with regard to Hungary and Poland should be relaxed, he explained. Asked to comment specifically on Japan's response to the new U.S. proposal, Watanabe said, "As to specifics, I think that we should wait for another round of talks between the U.S. and Japan."

Over Half of Burmese Embassy Lot in Tokyo Sold

OW2601054590 Tokyo KYODO in English 0449 GMT 26 Jan 90

[Text] Tokyo, Jan. 26 KYODO—The Myanma [Burma] Government has sold over half of its embassy lot in Japan to a Tokyo land developer, informed sources said Friday. The sale, finalized January 5, transfers the title to 9,256 square meters of the embassy's 15,916 square-meter compound in Tokyo's Shinagawa Ward to the Tokyo-based land developer, M.C.G., for some 34.2 billion yen.

Myanma's ruling council, headed by Gen. Saw Maung, approved the sale of the land, the sources said. Last November, police found a plastic explosive on the embassy's premises which they thought was planted by antigovernment forces.

Opposition Leaders Accept TV Debate With Kaifu

OW2601094890 Tokyo KYODO in English 0755 GMT 26 Jan 90

[Text] Tokyo, Jan. 26 KYODO—Leaders of four opposition parties accepted a call by Prime Minister Toshiki Kaifu on Friday to join him in a nationally televised debate to explain their policies to the nation before the February 18 general election. It will be the first such open forum of party heads before a general election in Japan.

Kaifu, appearing in the debate as president of the ruling Liberal Democratic Party (LDP), will be joined by Takako Doi, chairwoman of the Japan Socialist Party (JSP), Koshiro Ishida, chairman of Komeito, Tetsuzo Fuwa, chairman of the Japan Communist Party's Presidium, and Eiichi Nagasue, chairman of the Democratic Socialist Party.

LDP Deputy Secretary General Kanezo Muraoka met officials of the four opposition parties to hand them a letter from Kaifu in which he said the public wants to know the domestic and foreign policies of political parties amid rapid developments both inside and outside Japan. The letter said it is very important for the development of democracy in Japan for parties to explain their policies and ask for the people's judgment.

Muraoka proposed holding the debate February 1 or 2. The official start of campaigning for the general election is February 3. He suggested that the debate could be sponsored by the Japan National Press Club and should last for three or four hours. He asked the opposition parties to respond to these suggestions by Monday.

JSP Secretary General Tsuruo Yamaguchi said it is selfish for the LDP to make such a proposal after Kaifu failed to make a policy speech to the Diet when it resumed Monday after its New Year recess, thereby denying opposition parties the opportunity to question him before the House of Representatives was dissolved.

Polls Show LDP Recovering Public Support

OW2601004190 Tokyo KYODO in English 2352 GMT 25 Jan 90

[Text] Tokyo, Jan. 26 KYODO—Public support for the Liberal Democratic Party [LDP] of Prime Minister Toshiki Kaifu has jumped to 43 percent this month from 38 percent in December, the MAINICHI SHIMBUN said in a poll published Friday. The business daily NIHON KEIZAI SHIMBUN (NIKKEI) also front-paged a similar poll and put the support rate for the ruling conservative party at 44 percent, unchanged from a previous survey in November.

The MAINICHI said the country's No. 1 opposition party, the Japan Socialist Party [JSP], is supported by 19 percent, up from 18 percent, and NIKKEI put the figure at 26.2 percent, which it said is unchanged.

Earlier this week, one of the country's two largest newspapers, the ASAHI SHIMBUN, said the LDP is supported by 49 percent, while the other, the YOMIURI SHIMBUN, put the figure at 42.7 percent. The ASAHI put the support rate for the JSP at 30 percent and the YOMIURI at 18.8 percent.

The MAINICHI, which conducted the survey from January 19 to 21 covering 2,222 out of Japan's 90 million

eligible voters, said public support for the LDP has recovered to the level that it was before the Recruit influence-buying scandal was first reported in the mass media in June 1988.

The Kaifu cabinet is approved of by 33 percent, up from 30 percent in December, and disapproved of by 28 percent, unchanged, the MAINICHI said. The NIKKEI poll, which surveyed 1,843 people from January 19 to 22, said the Kaifu cabinet is approved of by 37.6 percent and disapproved of by 37.0 percent.

Campaigning for the February 18 general elections for the House of Representatives officially begins on February 3.

Socialist Party Presents Alternative Budget

OW2501135290 Tokyo KYODO in English 1250 GMT 25 Jan 90

[Text] Tokyo, Jan. 25 KYODO—The Japan Socialist Party (JSP) Thursday unveiled a 10-point alternative budget plan, which includes proposals to scrap the Consumption Tax and freeze Japan's defense spending. The budget plan also seeks formulation of a mid-term disarmament plan for Asia, real estate reform, promotion of measures to improve women's social status, and human rights. The plan also calls for improving the nation's food self-sufficiency rate.

A JSP policy paper urged a thorough review of the Government's Fiscal 1990 draft budget supported by the ruling Liberal Democratic Party and which is expected to be implemented from April 1. The nation's No. 1 opposition party said the review should take into account economic irregularities and gaps in living standards.

The JSP also is seeking measures to widen the tax exemption for pension incomes and to give tax breaks to individual taxpayers to absorb inflation. The 3 percent consumption tax, introduced on April 1 of last year, is one of the key issues in the House of Representatives elections scheduled for February 18.

The JSP policies also urge the Government to promote Japan's agricultural industry, help small, local enterprises, and urge businesses to curtail work hours. Proposals also were made to levy higher taxes on land owners and on their income from land transfers. The JSP says the present real estate tax structure is a major factor behind the gap in people's living standards.

Regarding international policies, the JSP urged the Government to freeze defense spending in Fiscal 1990 at the 1989 level for the next 3 years. The party also proposed a mid-term program for detente in the Asia-Pacific region, and enactment of a basis law for international development and cooperation.

The 66,274 billion yen state budget, approved by the cabinet late last year, seeks 4,159 billion yen in defense spending, a 6.1 percent increase over a year earlier, and 817.5 billion yen in Official Development Assistance (ODA), an 8.2 percent hike. The government budget proposal is to be presented to the lower house after the elections.

The JSP said it would pressure the Government of Prime Minister Toshiki Kaifu to consider the JSP suggestions if the JSP fails to topple the cabinet in the upcoming general elections.

Advisory Body To Call for Ending Rice Controls

OW2501224790 Tokyo KYODO in English 1444 GMT 25 Jan 90

[Text] Tokyo, Jan. 25 KYODO—A governmental advisory body plans to recommend the abolishment of a wartime law controlling rice distribution that has become a source of friction in relations with the United States, according to a draft of the recommendation received Thursday by KYODO News Service.

The government should abolish the rice controls and introduce a market-oriented system, the Provisional Council for the Promotion of Administrative Reform said in the draft. The panel says it is necessary to abolish or review import restrictions on agricultural products but stopped short of calling for liberalization of rice imports.

The council plans to submit its proposal to the prime minister in April. The panel is headed by Bunpei Otsuki, honorary president of the Japan Federation of Employers' Association (Nikkeiren).

While free marketing of a certain portion of the rice crop has been allowed since 1969, farmers remain obligated to sell most of their rice, but only to the government at a price determined by the government. The rice then is distributed to authorized retailers, who sell it to consumers at a price established by the government.

Japan has a rice surplus, and deficits in buying and selling operations are substantial. Japan's rice prices are high by international standards.

International Trade and Industry Minister Hikaru Matsunaga was scolded by Prime Minister Toshiki Kaifu after he criticized his cabinet colleagues for finding poor reasons to shut foreigners out of the Japanese rice market. The government has reaffirmed its basic policy of maintaining self-sufficiency in rice.

Major Japanese political parties, including the ruling Liberal Democratic Party, uniformly reject foreign access to Japan's rice market to protect the interests of Japanese farmers.

Government Denies Rice Liberalization Report

OW2601082190 Tokyo KYODO in English 0705 GMT 26 Jan 90

[Text] Tokyo, Jan. 26 KYODO—The government Friday denied as groundless a KYODO News Service

report that a government advisory panel has drafted a report recommending the abolition of a 1942 law that protects rice farmers by controlling imports.

Chief Cabinet Secretary Mayumi Moriyama said a proposal to scrap the Wartime Foodstuff Control System was only one of many ideas being discussed by the Provisional Council for the Promotion of Administrative Reform.

"There is no draft report," Moriyama said, calling the KYODO story "groundless."

Tadao Yamamoto, administrative vice minister of the Management and Coordination Agency, also denied that there is any draft report from the council and said his agency has asked KYODO and the business daily NIHON KEIZAI SHIMBUN, which published a similar report Friday, to issue corrections. The agency acts as the secretariat of the council, headed by Bunpei Otsuki, honorary president of the Japan Federation of Employers' Association.

The government's swift reaction apparently reflects concern within the government and the ruling Liberal Democratic Party [LDP] on the farm vote with a general election less than a month away.

"With a general election just around the corner, this will only cause unnecessary misunderstandings and confusion," Ichiro Ozawa, LDP's secretary general, said at a separate news conference. Ozawa said there is no change in the LDP's basic policy to support the food control system.

A draft report apparently prepared by the council and bearing a seal describing it as confidential, made available to KYODO on Thursday, said the rice support system should be abolished in favor of a market-oriented system.

The suggestion that price controls and import restrictions might be eliminated angered farmers, and observers said the LDP is concerned that the publicity could be damaging to the LDP as it approaches the general election tentatively set for February 18. Sources in the prime minister's office said farmers have started to mobilize protests in reaction to the KYODO report.

Farmers have enjoyed substantial government subsidies for producing rice since the present law was introduced in 1942, and have been staunch supporters of the LDP through most of its 34 years in power. But many farmers deserted the LDP in a House of Councillors election last summer following liberalization of beef and orange imports in response to demands by the United States.

Major opposition parties, which are posing an unusually tough challenge to the LDP in the first election for the powerful House of Representatives since they defeated the LDP in the upper house election last summer, are also against market liberalization.

U.S. demands for Japan to open its rice market have so far been flatly rejected by the LDP, which says rice growing is an integral part of Japanese culture and that because rise is the nation's staple food, special measures to protect rice farmers are justified. It is the second time in the past week that the LDP has been on the defensive in the face of suggestions it might be weakening its support for farmers.

Last week, Prime Minister Toshiki Kaifu took International Trade and Industry Minister [MITI] Hikaru Matsunaga to task after the MITI chief suggested that keeping the rice market closed to imports is not compatible with trade rules laid down by the General Agreement on Tariffs and Trade, which regulates worldwide trade. The administrative reform council is scheduled to submit its final proposal to the prime minister by April 19.

Farmers Demand Trade Minister's Resignation

OW2601094590 Tokyo KYODO in English 0834 GMT 26 Jan 90

[Text] Yamagata, Jan. 26 KYODO—The youth branch of a local agricultural cooperative said Friday International Trade and Industry Minister Hikaru Matsunaga should resign for publicly criticizing Japan's policy of maintaining self-sufficiency in rice supply.

The Council of Youth Agricultural Cooperatives in the Tohoku and Hokkaido regions adopted a statement in a meeting in Tendo that Matsunaga's remarks run counter to a Diet resolution opposing liberalization of rice imports and the government's "food security" policy.

Matsunaga said Thursday last week the "food security" position Japan takes at the current Uruguay Round of multilateral trade talks contradicts the objectives of the General Agreement on Tariffs and Trade, which are aimed at achieving free global trade.

Prime Minister Toshiki Kaifu scolded Matsunaga the following day over his remarks and Matsunaga later apologized for his statement. The council said it has decided to support all candidates in the upcoming general election who promise to defend Japan's agriculture sector and stable domestic food production.

Nagasaki Mayor Refuses to Retract Statement

OW2501194590 Tokyo KYODO in English 1435 GMT 25 Jan 90

[Text] Nagasaki, Jan. 25 KYODO—Nagasaki Mayor Hitoshi Motoshima, who was shot and seriously injured by a right-wing extremist on January 18, again defied death threats on Thursday by refusing to retract his controversial remarks that the late Emperor Hirohito was partially responsible for World War II.

In a 10-minute press interview at a hospital, Motoshima said that the act of violence against him was most

saddening and regrettable. Motoshima said people should be able to voice their opinion without being restrained by taboos.

Suspected hit man Kazumi Tajiri, 40, a member of the Nagasaki-based rightwing group Seikijuku was arrested hours after the incident, charged with attempted murder of the mayor. The Catholic mayor has been a target of rightists' death threats since December 1988 when he said Emperor Hirohito was partially responsible for Japan's involvement in World War II.

The Emperor was known to be dying at the time of the statement. Emperor Hirohito, posthumously called Emperor Showa, died in January 1989.

Police placed a round-the-clock guard on Motoshima but relaxed their vigil last month at Motoshima's request when the mayor felt the situation had returned to normal. Still with an oxygen tube in his nose, the 67-year-old mayor said: "Freedom of speech must be protected even if being told to die in agony." Motoshima urged the people to do their utmost to faithfully follow the present Constitution which guarantees freedom of speech.

"It is natural that the late Emperor Hirohito, then the militarists, and I myself, who was at the lowest level of leadership, were partially responsible for the war," Motoshima said. "I don't want to be seen as a hero. My belief has not changed... I may state my belief because I must speak while in office."

Motoshima said he felt it strange his remarks have been treated as a major issue. "I have to conclude that it is a abnormal society," he said. The mayor said he would like to talk with Tajiri and hopes to reach a mutual understanding with him. He added he hopes Tajiri will be given a lenient form of punishment.

Central Bank Governor on Volatile Market Moves

OW2401095990 Tokyo KYODO in English 0827 GMT 24 Jan 90

[Text] Tokyo, Jan. 24 KYODO—Bank of Japan [BOJ] Governor Yasushi Mieno said Wednesday that the recent volatile movements in financial and capital markets were seen largely as a technical correction to the upsurges late last year stirred primarily by speculation and rumors.

Mieno, speaking at a regular news conference, said, however, that there is a little sign that the erratic market swings are subsiding somewhat, and noted that the bank will cautiously watch the developments. On currency movements, the chief monetary official said that the much-needed stability in the currency rate has been disturbed by speculative moves based on political uncertainties in Japan, Eastern Europe, and the Soviet Union.

As usual, the top central banker said the bank will strongly intervene in the market in concert with other major industrial democracies to protect the yen's value.

Mieno also discounted any immediate possibility of convening a Group of Seven [G-7] meeting to talk about the currency issue. The central bank will keep day-to-day close contact with its counterparts worldwide, and this seems an appropriate enough measure now, Mieno told reporters.

Mieno also linked tumbles in bond and stock prices mainly to the markets' own corrective movements against the unusually high levels. He said these movements were unexpectedly exacerbated by wariness about uncertain political developments domestically and overseas.

Mieno indicated that there is no stimulus domestically to make the markets react so wildly, suggesting the excessive moves would be temporary. Mieno denied market speculation about a fourth discount rate hike by the bank saying, "I know of such rumors, but I definitely have no plan now."

He said the bank is still looking at how the effects of the past base rate increases would be filtered into the overall economy.

On domestic issue, Mieno said he was reassured by BOJ branch managers' reports that Japan's economy will continue to be robust in the foreseeable future, with prices relatively stable as a whole.

Mieno's remarks follow 2 days of meeting of bank branch managers across the country which ended Tuesday.

According to reports by branch managers, business activity remains robust in the local areas, continuously drawing strength from strong personal consumption and corporate capital investment.

Mieno, however, emphasized the supply-demand balance in the labor market has tightened further regardless of regions and industries, threatening stable prices and heightening inflationary pressure. The major inflation pointers such as wholesale prices and money supply began to point to the fact that upward price pressures have gradually increased.

Also at the press conference, Mieno reaffirmed he still sees price pressures, the primary source of concern for Japan's monetary authorities, remaining high, in part due to the yen's prolonged weakness against the dollar.

Noting the bank's continued careful monitoring of the trends, Mieno reiterated that the Japanese central bank will hold an appropriate and flexible monetary policy.

Commenting on the latest money supply data, the top central banker said he does not think the basic trend has totally reversed itself or that the money-supply growth pace has begun accelerating abruptly. Nevertheless, Mieno, as the head of the price watchdog body, said the central bank considers the pace shown in December's tally excessive under prevailing economic conditions.

Mieno Holds News Conference in Nagoya

OW2601035690 Tokyo KYODO in English 0341 GMT 26 Jan 90

[Text] Nagoya, Jan. 26 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno said Friday instability remains in the yen's exchange rate despite its recent recovery. Mieno told a press conference financial market's response to the yen's rise has yet to be seen and that the currency market should be watched calmly.

The Japanese currency rose more than a full yen against the U.S. dollar in Tokyo trading Friday, to reach the 143 yen level.

Mieno, here for talks with local business leaders, said the yen has recovered to late last year's level after falling temporarily early this year amid political instability at home and abroad. There has been no major change in the Japanese economy, he said.

Mieno said he has no information on a possible meeting of finance chiefs from the Group of Seven (G-7) monetary powers, long rumored to be planned to discuss currency instability. He reiterated his view that exchange rates have been sensitive to rumors. A close watch must be kept on the currency market because instability remains, he said.

Mieno on Currency Movements

OW2601061690 Tokyo KYODO in English 0536 GMT 26 Jan 90

[Text] Nagoya, Jan. 26 KYODO—Bank of Japan Governor Yasushi Mieno said Friday the central bank will continue to keep a careful eye on currency movements despite the yen's rise in Tokyo morning trading to its highest level in nearly three weeks.

Mieno's remark on the yen's surprise upturn was viewed as a sign that he considers a strengthening of the yen natural in view of Japan's economic fundamentals. Mieno, speaking at his first press conference in Nagoya as the central bank chief, said there is nothing in the domestic economy that would suggest support of a weaker yen.

Mieno repeatedly has hinted the dollar's persistent strength would be short-lived and described recent currency movements as based on speculative dealings due to rumors. Many analysts predict, however, changing international politics and worries about Japan's upcoming election for the House of Representatives would not ease pressure on the central bank for the time being.

Mieno attributed the yen's rise partly to the bank's repeated dollar sales in concert with other major industrial nations. He pledged to continue to do so whenever necessary. But he quickly suggested it is too early to tell whether the market has regained stability and cautioned about the potential for the yen's downturn.

While saying that foreign-exchange rates should be eventually determined by market players, Mieno nonetheless pledged to continue efforts to intervene, if necessary, to defend the national currency. Repeating previous remarks, Mieno ruled out the need to convene a quick meeting of monetary officials of the Group of Seven (G-7) industrial countries.

Central Bank Eases Anti-Inflation Battle

OW2601120190 Tokyo KYODO in English 0854 GMT 26 Jan 90

[Text] Nagoya, Jan. 26 KYODO—The Bank of Japan (BOJ) appears to have eased up on its aggressive inflation-fighting battle, at least for now until widespread fears of another hike in the Japanese "policy rate" subside, monetary experts say.

The recent rounds of discount rate hikes by Japan's central bank has caused interest rate differentials between Japan and the United States to narrow dramatically. Foreign exchange market participants reacted nervously to this development. Shrinking interest rate gaps make dollar-denominated assets less attractive.

Currency market participants were principally concerned that Japanese institutional investors, key market players in the U.S., might move to cut back investments in American stocks and bonds because of recovering returns at home.

Some analysts said Japanese investors have a fading interest in U.S. financial vehicles because of the recent rise in Japanese interest rates. This, in part, was blamed for increasing volatility in overseas markets.

Investor fears have spread rapidly that another base rate hike in Japan could further dampen trading interest in dollar-quoted investments and bring about a prolonged volatility in U.S. markets.

The yield on Japan's benchmark 10-year government bonds has surged to nearly 7 percent amid ongoing technical corrections to the inverted yield curve—short-term interest rates staying higher than long-term rates represented by the bond yield. In contrast, the yield on comparable U.S. Treasury notes has fallen to around 8.25 percent from more than 9 percent.

As a result the difference between U.S. and Japanese rates has shrunk only to about 1.25 percentage points, far less than four to five percentage points previously. After allowing for inflation, Japanese rates are even higher than U.S. rates, raising the possibility that Japanese investors may scale back future dollar-linked investments.

BOJ Governor Yasushi Mieno's unusually strong language in brushing off such market speculation reinforces the view that the central bank is trying to avoid being labeled as the major source of confusion in the markets, analysts said.

A clear demonstration of the central bank's policy shift to a more accommodating stance came at a series of press conferences this week in Tokyo, Osaka and Nagoya. On these occasions, Mieno took a softened view when referring to the severity of upward prime and the adverse impact of the yen's protracted weakness.

At a press conference Thursday in Osaka, Mieno said: "Compared to the levels late last December, the yen has lowered only by 2 to 3 yen to the dollar."

"People in general may tend to see the yen as being far undervalued, though," Mieno added. He also sought to head off the market view that the bank has been struggling to strengthen the yen.

Mieno also said he does not feel that upward pressures on prices have increased to the point where inflation is on the verge of being rekindled.

Softening his stance against a potential inflationary spiral in Japan could be interpreted as a "temporary" break with the bank's aggressive credit-tightening moves in the past year, market experts said.

Japanese monetary officials, in particular, have been sensitive to a weaker yen because higher import costs would lead to increased expectations of inflation. Mieno repeatedly has underscored the importance of efforts to keep inflation in check as an essential precondition to price stability and sustained economic growth.

While expressing cautious optimism on the potential for inflation, Mieno and other key central bank officials have temporarily decided to put the bank's credit-tightening policy on hold amid weakness of bonds, stocks and the U.S. currency, analysts said.

Now many people believe investor worry in markets abroad is a sign that any further increase in Japanese interest rates would have a serious impact on global markets, they said. It also appears the yen's renewed sharp upturn Friday could give the Japanese central bank more leeway before it resumes its antiinflation battle.

A tumble in U.S. bond prices also helped trigger the fall in the dollar's value, analysts said. In the near future, the Japanese central bank would be required to support the dollar instead of the yen if the U.S. unit comes under continuous pressure from its strengthening West German counterpart, they added.

MITI Reports Oil Import Figures for 1989

OW2601065990 Tokyo KYODO in English 0622 GMT 26 Jan 90

[Text] Tokyo, Jan. 26 KYODO—Japan's crude oil imports in December rose 7.2 percent from a year before to 20.33 million kiloliters, fueled by strong demand for petrochemical products, according to preliminary data released Friday. Total imports of crude oil in 1989, meanwhile, surged 8.2 percent from 1988 to 209.7 million kiloliters amid steady industrial demand for refined oil, the Ministry of International Trade and Industry (MITI) said. It was the first time in five years they had topped 200 million kiloliters.

Imports of fuel oil last December hit a record high of 5.25 million kiloliters, up a steep 17.7 percent from the same month in 1988, reflecting the growth of the domestic economy. Notably, imports of a-type fuel oil swelled to an all-time high of 150,000 kiloliters, up 4.2 percent from a year earlier.

By region, imports surged from China and the Middle East, including Iran and Kuwait, while those from Oman, Mexico, and Indonesia slumped.

Domestic production of fuel oil in December totaled 17.39 million kiloliters, an increase of 5.1 percent over December 1988, reflecting an increase in processing of crude oil. Domestic sales of fuel oil also rose 3.6 percent to 22.75 million kiloliters due to heavy use of gasoline for transportation.

Aggregate imports from the Middle East for the whole of 1989 reached 148.97 million kiloliters, up a sharp 13.8 percent from the preceding year. Crude oil from members of the Organization of Petroleum Exporting Countries (OPEC) amounted to 76.5 percent of the total imported into Japan in 1989.

Imports of fuel oil during the year rose 5.1 percent to 50.88 million kiloliters, a record high, sustained by heavy imports of naphtha, kerosene oil, and diesel engine oil. Output of fuel oil in Japan rose 5.4 percent to 167.11 million kiloliters and its sales in the domestic market increased 3.7 percent to 209.22 million kiloliters.

MITI Reports Slower Industrial Growth in 1989

OW2601094790 Tokyo KYODO in English 0809 GMT 26 Jan 90

[Text] Tokyo, Jan. 26 KYODO—Japan's industrial production in December slipped a marginal 0.1 percent from the previous month after seasonal adjustment because of poor export performance, but closed 1989 with the third straight annual increase, the government reported Friday.

A slowdown in production of transport machinery was particularly noteworthy, reflecting sluggish auto exports to the U.S. in the wake of modest economic growth in that country, an official at the Ministry of International Trade and Industry (MITI) said in releasing the preliminary production data. Overall industrial production in 1989, on the other hand, rose 5.9 percent from 1988, when output rose 9.5 percent.

Based on production plans currently prepared by major manufacturers, the official forecast that industrial production would increase 0.8 percent in January from the December level.

In December, production of transport machinery fell 1.4 percent and that of metal products 1.9 percent, which contributed to sluggish activity in the manufacturing sector, the data showed.

Overall shipments, however, grew 0.6 percent in December, helped by a 6.0 percent surge in shipments of general machinery and a 1.3 percent rise in those of plastic goods. The production index stood at 120.7 and the shipment index at 122.2 against the base of 100 for 1985. The inventory index for manufactured goods was 110.8 by the same standard, an increase of 0.3 percent over November.

Relatively warm winter weather caused manufacturers to stockpile petrochemical products in their inventories. Other than that, the level of inventory buildups of industrial products in general remained moderate compared to the preceding month. Annual industrial shipments in 1989 rose 6.1 percent, while the inventory index rose 8.6 percent.

Mongolia

Deputy Premier on Political, Economic Reforms

LD2501161390 East Berlin ADN International Service in German 1323 GMT 25 Jan 90

[Text] Ulaanbaatar (ADN)—Mongolia has entered the complicated period of transition to a new political system. Deputy Premier Dashiyn Byambasuren, candidate member of the Mongolian People's Revolutionary Party (MPRP) Politburo since December, stated in this respect in a television interview that work is being carried out on a new version of the party program and on the creation of a new model of socialism for the country.

This is a matter of a development path that takes into account both the general laws of the social order and the traditions and peculiarities of Mongolia. "We will not copy everything," the official said with regard to the processes of restructuring in other socialist countries. Formerly, the MPRP concentrated all power in its hands but now there are open discussions on the party's role. At present a new constitution is being drafted which will be presented to the people for discussion. The people will also decide on the introduction of a multiparty system.

In the economy, it is a matter of discarding the administrative command system and organizing all areas in accordance with economic criteria. The model presented at the Seventh Central Committee Plenum is oriented toward expanded reproduction which should support itself on its own resources. Alongside the creation of a progressive structure, the further development of the traditional branches should not be forgotten. Several forms of ownership are being aimed for, as well as regulation by means of planning the market.

Byambasuren emphasized that the party and state leadership is open to every constructive proposal. He includes the opposition Mongolia Democratic Alliance in this. This organization, which was founded at the beginning of December, has however not yet presented conceptual ideas.

Deputy Premier Quoted on Model of Socialism

OW2501135090 Ulaanbaatar International Service in English 1200 GMT 25 Jan 90

[Text] The Mongolian model of socialism is being devised within the framework of the elaboration and new edition of the Mongolian People's Revolutionary Party program. This was said by Deputy Prime Minister of Mongolia Byambasuren in an interview with the Mongolian TV correspondent.

A national model of socialism means the question of choosing the road of development which takes into consideration both the general laws of socialism and also historical and cultural traditions, the conditions and specific peculiarities of life of a given country, said Byambasuren. He noted that the seventh plenary meeting of the party held late last year basically outlined the economic model which will become the foundation of the policy of the party and state. This economic mode is oriented towards developing extended reproduction at the expense of one's own resources, setting up progressive hi-tech branch sectors alongside all our development of traditional branches, promoting different forms of properties and planning economy relying on open-door policy in foreign relations.

Concerning economic reforms, Byambasuren qualified it as the pivot of perestroyka designed at replacing the administrative command model of socialism with socialism based on humanism and democracy. He especially underlined that perestroyka can become successful only on the basis of consolidation of the entire Mongolian people.

Mongolian Democratic Association 'Warned'

OW2501234690 Ulaanbaatar MONTSAME in English 1728 GMT 25 Jan 90

[Text] Ulaanbaatar, 25 Jan (OANA-MONTSAME)—The capital's paper "ULAANBAATARYN MEDEE" informs that yesterday S. Monhjargal, deputy chairman [title as received] of the Presidium of the Ulaanbaatar Hural of People's Deputies, expressed indignation to the members of the MDA [Mongolian Democratic Association] leadership for holding a rally in the D. Suhbaatar Square in violtion of the "temporary order of holding public-initiated rallies and demonstrations in the streets and squares of the capital" introduced by the Ulaanbaatar authorities. He strictly warned the MDA leaders of the inadmissibility of such breaches in future.

The "temporary order" [passage indistinct].

Deputy Minister Discusses Relations With Japan

OW2401011990 Ulaanbaatar International Service in Japanese 1200 GMT 19 Jan 90

[Report on interview with (Namjim), deputy minister of the Mongolian State Commission for Planning and Economy and chairman of the Mongolian-Japanese Economic Cooperation Committee, by station announcer: "The New Prospects for Bilateral Relations Between Mongolia and Japan"; date, place not given]

[Text] [Male announcer] Dear listeners: In our previous programs we broadcast talks given by Japanese ambassador to Mongolia Takase and Mongolian ambassador to Japan (Dashtseren). You must now have some idea about the relations between Mongolia and Japan. Now we will broadcast an interview with (Namjim), vice minister of the State Commission for Planning and Economy and chairman of the Mongolian-Japanese Economic Cooperation Committee, on the new prospects for the relations between our two nations.

[Female announcer] Vice Minister (Namjim) paid an official visit to Japan in 1988. We would like to ask you about the bilateral relations you (?touched) on during your visit there and also about the methods for developing the relations to a new stage.

[Male announcer, beginning with brief (Namjim) recording, in vernacular, fading into Japanese translation] At the invitation of the Japanese Foreign Ministry, I visited Japan in late 1988. During my visit there, I briefed them on the major policies concerning our economic development, and views were exchanged on practical issues in several fields. We exchanged views on such issues as a project for building a small iron mill, a joint venture in the rare minerals field, exploration of underground resources, projects for building basic communications and electronic equipment plants, a project for reconstructing the Gobi industrial complex, supply of sewing machines, a survey for developing the coal industry, and projects for building plants for producing brush pens, brushes, toilet paper, and medicines.

In addition, the two nations confirmed that tourism would be mutually expanded and preparations for receiving tourists would be strengthened. These measures would be taken to facilitate transportation as well as communications for this purpose.

[Female announcer] What is the practical significance of Mongolia's open policy in connection with its relations with Japan?

[Male announcer] We feel that regarding our economic relations with foreign nations, it is very important for us to respect peaceful coexistence with various nations irrespective of different ideologies or systems, and to promote joint undertakings of mutual benefit with various countries in the world on the basis of our nation's realities and conditions as well as our potential.

Among the major objectives of our policy of opening up to foreign nations are the expansion of cooperative projects aimed at further development in industry and agriculture based on the results of science and technology; the building of joint ventures with foreign investment; and the effective use of loans, grants, and funds obtained from UN organs, the Development Bank, and various advanced nations. It goes without saying that such joint undertakings will be promoted with Japan. With the promotion of such joint Mongolian-Japanese economic undertakings, Japan will probably occupy an important position in Mongolia's policy of opening up to various nations in the Asia-Pacific region.

Taking advantage of this opportunity, I would like to express my gratitude to officials and the various people of the Japanese Foreign Ministry, the various government agencies concerned, the Japanese-Mongolian Economic Cooperation Committee, and the various private companies concerned who have cooperated with us in promoting the relations between Mongolia and Japan.

Mongolia-Japan Gobi Project Group Formed

OW2201053390 Ulaanbaatar International Service in English 0910 GMT 19 Jan 90

[Text] The daily UNEN reports on the founding of a Mongolian Association for supporting the joint Mongol-Japanese Gobi project. This project envisages the realization of the complex scientific research and practical actions for finding concrete ways to harmonize the historical traditions and experiences of nomadic livestock breeding, and the processes of the development of modern civilization, scientific progress, and technological revolution. The project aims to elaborate a comprehensive program of developing the Mongolian Gobi and carrying out research so as to resolve the problems of economic and social development of the rural areas.

These experiments will be carried out in Bayanhongor Aymag, a province with a vast territory and typical natural and climatic zones (?directing) structure of livestock production. Starting this year many well-known Mongolian scholars will take part in realizing the Gobi plan. The scientific research group includes 36 eminent scholars and (?professors) from different higher educational institutions in Japan.

Council Regulates Export of Consumer Goods

OW2601054690 Ulaanbaatar International Service in English 0910 GMT 25 Jan 90

[Text] The Mongolian Council of Ministers has introduced a total ban and in some cases limitations on taking out some goods through the Mongolian border. This action has been taken with a (?new) consideration of the growing requirements of the population in both import and domestic products. This decision will become effective as of 1 February 1990.

It is prohibited to take out through the Mongolian border motorbikes, bicycles, and their spare parts; silk, woolen, and cotton textiles; washing powder, as well as various imported goods sold in Mongolia for hard currency and the purchase of which by the given person is not confirmed by official documents.

As far as limitations are concerned, it is not permitted to take out rice, granulated sugar, lump sugar, raisins, cameras, children's shoes, and ready-made trousers, socks, and stockings more than exceeding the number fixed by customs. Fridges, washing machines, vacuum cleaners, electric stoves, electric irons, sewing machines, percolators, and (?bed covers) can be taken out provided they were brought in earlier and are indicated in the customs declaration.

Health Laws Amended on Mother, Child Care

OW2601014590 Ulaanbaatar MONTSAME in English 1726 GMT 25 Jan 90

[Text] Ulaanbaatar, 25 Jan (OANA-MONTSAME)—The recent decrees of the Presidium of the Great People's Hural (national assembly) on amendments in the law on health protection, are a timely measure aimed at improving mother and child care. Now Mongolian women, like their counterparts in many countries of the world, have the right to decide themselves how many children they want to have and when, said S. Demberelsuren, expert of the MPR Health Ministry, in an interview with the youth paper "DZALUUCHUUDYN UNEN".

He noted that the above decision was taken in the interests of women. The previous policy in this regard resulted in [word indistinct] sad consenquences for the health of mothers. Frequent or late births and a large number of children in a family were among reasons preventing noticeable decrease in the death and morbidity rates among women and children.

Now women can disrupt pregnancy within the first three months and in case of an illness seriously threatening women's health this operation will be done irrespective of the term of pregnancy. The list of such illnesses made up by the Health Ministry includes different types of malignant tumors, grave cardiovascular and mental diseases, S. Demberelsuren informed.

He expressed himself in support of paid abortions, is [as received] is the experience of many countries. The Health Ministry is considering a question of charging fees for a number of medical services, he said.

Trade Union Central Council Reports on Work

OW2601012490 Ulaanbaatar MONTSAME in English 1724 GMT 25 Jan 90

[Text] Ulaanbaatar, 25 Jan (OANA-MONTSAME)—Legal acts were streamlined in conformity with the demands of the ongoing restructuring and the provisions of the law on the state enterpriese, and about 100 resolutions regulating the award [word indistinct] stimulating of workers in the national economy, were annulled, says a report by the trade union paper "HODOLMOR" on the work done by the Central Council of Mongolian Trade Unions [MTU] in the last half of the past year.

The MTU Central Council paid particular attention to working out and realizing measures for increasing pays of some categories of industrial and office workers. As a result, 15.8 thousand people now earn more. Currently the council is working on a draft law on trade union rights.

Together with the MPR Health Ministry and Mongolian Women's Committee, the trade unions worked out and submitted to the top party and state bodies recommendations on improving legal acts concerning maternity and infancy protection, as well as pensions and social benefits.

[Word indistict] at their meeting, the Presidium and Secrtariat of the MTU Central Council analyzed the course of restructuring in the trade union system and made a conclusion that this process should be deepened and sped up. This issue [word indistinct] to be considered at an MTU CC [Central Committee] plenum to be held in February 1990, the paper informs.

Radiation Level Normal at Uranium Plant

OW2401094490 Ulaanbaatar International Service in English 0910 GMT 23 Jan 90

[Text] Recently the Nuclear Energy Commission of the Mongolian Council of Ministers held a meeting in Ulaanbaatar. It discussed the report of the working group on establishing the radiation level at the Erdes industry on the territory of Dornod Aymag, East Mongolia. The group was led by Deputy Chairman of the Nuclear Energy Commission, Doctor of Sciences—physics and mathematics—Professor Chultem.

The working group has established that the radiation level is normal at the Erdes plant, its neighborhood, and along the route where uranium ore is transported, and is equivalent to that on the territory of other aymags. Hence the group has ruled out the pollution of the environment by the Erdes plant and the transportation of uranium.

The commission has passed concrete decisions on establishing permanent control on the radiation level at the Erdes plant, a (?steady) approval of rules on uranium ore transportation, training of nuclear experts, and on issuing regular press and media reports on radiation matters.

More Attention to Preschool Establishments Urged

OW2301193990 Ulaanbaatar MONTSAME in English 1718 GMT 23 Jan 90

[Text] Ulaanbaatar, Jan. 23 (MONTSAME)—The national daily "UNEN" devotes the editorial of today's issue to the problems of expanding the network of pre-school establishments.

The article notes that there are no appreciable changes despite a number of resolutions of the MPR [Mongolian People's Republic] Council of Ministers on construction of new kindergartens and creches by state and public organizations, industrial enterprises, cooperative and business organizations at their own expenses. The provisions of the law on the state enterprise and cooperation are being realized unsatisfactorily.

At present there are more than 820 kindergartens in the country accommodating only 28.5 percent or 88,300 children under the ages of 3-7. In the capital only one third of 90 thousand small children attend kindergartens. At the same time more than 200 mln. tugriks were spent for administrative buildings over the last 20 years.

Thinking first of all about industrial projects and their own offices, the officials prefer to postpone the problems of building new preschool establishments or sometimes they restrict to idle talks. It is imperative to get rid of such an irresponsible approach towards this important question and radically raise the concern for the interests of the people, what is more important when it concerns children, the daily points out.

North Korea

News Conference Held on 10th North-South Contact

SK2601041090 Pyongyang Domestic Service in Korean 0548 GMT 24 Jan 90

[Text] According to reporters Kim Yong-song and Han Kwang-to from Panmunjom, the 10th round of meeting between delegates of the North and the South for North-South joint parliamentary talks was held today in the South side's area in Panmunjom. After the meeting, Chon Kum-chol, chief delegate of our side, held a press conference to inform reporters of the result of the meeting.

[Begin recording] Today, we had the 10th round of meetings in Panmunjom. In the meeting, our side brought up two issues. One was the issue on realizing the new proposal for removing the barrier, the concrete wall, built in the area south of the Military Demarcation Line [MDL] and for realizing free travel and total openness between the North and the South that the great leader put forward in his New Year's address of this year. We urged the South side to affirmatively respond to the proposal. In this connection, however, the South side insisted that there is no concrete wall in the area. While saying that it welcomes the realization of free travel and openness, the South side made no mention of the concrete wall itself. As to the form of North-South negotiations, as well, while we proposed convening a consultative conference of the authorities and the leaders of political parties of the North and the South, the South side insisted upon holding North-South summit talks and the like, disregarding our proposal. Thus, the South side did not accept our proposal. Therefore, in the meeting we explained to the South side how reasonable our proposal is.

The other issue was the problem of suspending the "Team Spirit" military exercise. Since the "Team Spirit" military exercise has created an obstacle to North-South dialogue, our side asked the South side's delegates either to urge the South Korean National Assembly to exercise influence upon the South Korean authorities so that they should suspend the military exercise, or to adopt a joint resolution with us in today's meeting. In this connection, the South side continued to insist that there is not a concrete wall in the area south of the MDL. Therefore, our side refuted the South side's insistence, showing evidence. Our side told the South side: "If there is no concrete wall as your side insists, let us go to the spot together, to see the wall. It will take only 10 minutes to get there. We will see the wall as we walk along the road leading to the spot."

Nixon's two Koreas policy was declared in the seventies. After this, the 23 June declaration, a splittist declaration, and the splittist policy called cross-recognition and cross-contact came out one after the other in the seventies. Finding that the two Koreas plot could not be smoothly carried out through these policies, they built a concrete wall in a bid to have the world officially recognize that there are two Koreas. This wall is precisely the concrete wall in question. Yes, it is literally a wall, a big wall. So, this wall has become a big issue. Nevertheless, the South side preposterously insisted that there is not a wall at all.

So, we told the South side that the concrete wall is a wall for division and that only when the wall is removed can free travel and total openness be realized. We also told the South side that when free travel is realized, the movement of a large number of population is inevitable, the severed blood vessel of the nation is linked, and the two regions of the North and the South are linked and that this is a large-scale task for the nation. We told them that the wall is precisely an obstacle to the implementation of this task and should be, therefore, removed. When the artificially built concrete wall is removed, the barrier of division in our people's minds can also be removed. If the South side removes the wall this will constitute an expression of its will to achieve national reunification. Since the wall was built in the period of the Yusin regime, we told the South side that the wall should also be liquidated because the new regime is reportedly liquidating the legacies of the Yusin regime. Thus, our side discussed ways to properly realize free travel and total openness.

In the connection with the "Team Spirit" military exercise, our side brought this matter before today's meeting. However, the South side refused to discuss this matter in the meeting. In his press conference on 7 January the person in authority of South Korea said that the size of the "Team Spirit" exercise would be reduced in consideration of North-South dialogue. This tells us that he has admitted that the "Team Spirit" exercise hinders North-South dialogue. Of course, we do not accept the plan to reduce the size of the exercise. What we demand is to cancel the exercise. Without cancelling the exercise we cannot guarantee revitalized dialogue. Reducing the exercise by 10 percent as clamored about by the person in authority of South Korea has nothing to do with vitalizing North-South dialogue. In other words, there has been no substantial change in the plan for the "Team Spirit" exercise.

So, we stressed that the "Team Spirit" exercise is a direct obstacle to North-South dialogue. At a time when the issue of free traval and total openness between the North and the South are being discussed and multilateral North-South dialogue which has been held since last year has entered almost a concluding stage, the announcement of the plan to stage the "Team Spirit" exercise is a challenge to North-South dialogue. The "Team Spirit" exercise itself is an offensive exercise and is an act of retaliation against us.

The "Team Spirit" exercise is a product of the strategy of the United States to secure military bases in South Korea in a bid to fill the vacuum of strength in Asia created in the wake of the defeat in the Vietnam war and, using these bases as its military bridgehead, to attack the North and the Asian continent. This character of the exercise is still unchanged, even now.

The South side said that the "Team Spirit" exercise can prevent a war [passage indistinct]. We told the South side not to have delusions about the United States. [words indistinct] So, we proposed to the South side to adopt a resolution calling for the suspension of the exercise. However, the South side rejected this. So, we could not discuss the issue of the (?working contact) at today's meeting.

The two sides discussed the issue on the date for the next contact. In the discussion of the issue, we stressed that in order to establish the date for the next meeting, there should be the reasons for which we should meet. We also urged the South side to bring good news with regard to the issue of suspending the "Team Spirit" exercise to the next meeting. The two sides agreed to hold the next contact on 22 February. This is all. [end recording]

Thus, following the 10th round of contact between delegates of the North and the South for joint North-South parliamentary talks held today in Panmunjom, Chon Kum-chol, chief delegate of our side, held a press conference and briefed reporters on the results of today's contact.

South's Party Merger 'New Political Coup'

SK2501111690 Pyongyang KCNA in English 1039 GMT 25 Jan 90

[Text] Pyongyang January 25 (KCNA)—The merger of the three parties in South Korea—"Democratic Justice Party" (DJP), "Reunification Democratic Party" (RDP) and "New Democratic Republican Party" (NDRP)—is an offspring of the crisis of the colonial military fascist dictatorship of the U.S. imperialists and the No Tae-u group, which is another political coup to maintain and prolong the military fascist dictatorship by uniting the ultra-rightist reactionary forces and a malicious wholesale reactionary offensive against the forces for reunification and democracy, says NODONG SINMUN in a commentator's article today.

No Tae-u, Kim Yong-sam and Kim Chong-pil, the presidents of the three parties, on January 22 held emergency tripartite talks at "Chongwadae" and agreed to merge the three parties to bring into being a "Democratic Liberal Party."

The article entitled "New Political Coup of Those Forsaken by People" says the "political restructuring" in South Korea this time was not made by the democratic forces in accordance with the will and interests of the masses of the people but was forced in such a manner that the United States brought together its henchmen and wooed them according to its aggressive demand and interests.

The article goes on:

The merger of the three parties forced in great haste by the United States, much upset by the political developments in South Korea, is no more than binding together its henchmen forsaken by the people with an old rope. It is as good as birds of a feather flocking together.

As for the "DJP" of No Tae-u, it was the head office of the cursed "Fifth Republic"; it is a treacherous party, a murderous fascist party and a party for division and confrontation which has become a target of resentment of the South Korean people because it knocked into shape the "Sixth Republic" through unheard-of election fraud and committed fabulous crimes against the country and the nation through the more truculent military fascist rule and injustices than the dictatorship of the "Fifth Republic."

The "NDRP" of Kim Chong-pil is the head office of "Yusin" and a group of its remnants which should have gone to its grave with Pak Chong-hui who met his destruction ten odd years ago; it is a "semi-ruling party" which has served the "DJP" as its bridesman, and "a prostitute party living together with the 'DJP' before marriage" after being barely revived with the backing of the United States.

And the "RDP" is nothing but a private party of Kim Yong-sam which, after collecting votes by deceiving the people with the slogan of "democratization," has

ignored the people's will and played a rope-dancing between the ruling and opposition parties to gratify the personal greed for power.

This tells that the merged three parties differ from one another in name only, being called "DJP," "RDP" and "NDRP", but they are groups of traitors tarred with the same brush and poor guys who can hardly maintain the present dictatorial power without the help of the United States and hardly maintain the "vested rights" by themselves.

The United States is rallying these vulnerable forces, seeking to keep South Korea under its domination and yoke with them as a support. This indicates that it is today in a very sorry lot and the days of the more than 40 year long colonial rule are numbered.

Branding the "political restructuring" through the merger of three parties as a product of the manoeuvrings for the long-term office of the military fascist group, the article says:

In South Korea this year "local assembly elections" will reportedly take place and next year "elections of chiefs of local autonomous bodies" and then "National Assembly elections" and "presidential elections."

The "DJP" of No Tae-u stands no chance of winning in these "elections," nor is it in a position to look forward to possibilities of assuming power for the next term under the present four-party setup.

The "RDP" of Kim Yong-sam and the "NDRP" of Kim Chong-pil, with weak forces backing them, intend to gratify their political ambitions through alliance with the "DJP" within the framework of "grand coalition of conservative forces," as dictated by the United States.

This is how the "DJP", "RDP" and "NDRP" brought themselves to play the political gamble in which they got into the same bed, each having its own axe to grind to grab power.

By framing up a "new coalition party" patterned after the Japanese Liberal-Democratic Party, one drawing the others and the latter being drawn to it, they intend to share powers among them and play the solo at the "National Assembly" and thus freely revise the present "Consititution" and introduce a "parliamentary cabinet system," leading to the establishment of a long-term office system in South Korea.

This proves that the "political restructuring" is, to all intents and purposes, a political coup for the fascist rule of one-party solo, which would not give power to anyone but them and not allow democracy either.

The "RDP" which had once advocated "democratisation" joined in this fascist political coup and Kim Yong-sam who, as its president, shouted himself hoarse against fascist dictatorship shared the same bed with dictator No Tae-u, joining hands with him. This is a perfidy selling off the blood shed by students and people for the democratisation of the South Korean society. By betraying the old desire of the people for democratisation and getting into the same room with the fascist dictator of "Chongwadae", Kim Yong-sam smeared his own face and made himself an enemy of democracy.

It must not go unnoticed that the so-called "political restructuring" is a product of the "two Koreas" scheme to freeze the present state of division of the country against the desire of the entire people for reunification.

By replacing the present four-party setup of "a strong opposition and a weak ruling party" to a two-party setup of "a strong ruling party and a weak opposition", the No Tae-u group foolishly intend to confront the South Korean reunification forces with an allied force and stand against us, too.

The three-party merger structure based on a script written by the U.S. imperialists is, in the final analysis, a structure of subjugation and treachery designed to maintain colonial domination in South Korea against the global trend of independence and a structure of seclusionist military dictatoriship to stifle human rights and democracy in defiance of the demand of South Korean people for democracy and a structure of permanent division to dampen the desire of the whole nation for reunification and build the wall of division higher.

The political coup is so blatantly anti-national and anti-reunification in its purpose and too vicious and clumsy in its method, the paper notes, adding: No matter what garb of "midway" may be put over the "new mega-party" and what signboards of "democracy" and "liberty" may be hung out, it cannot but be a military fascist group and an anti-communist splittist group in physical constitution.

The paper further says:

The South Korean people and personages of all quarters should categorically reject the fascist "political restructuring" and turn out as one man in the campaign to thwart and frustrate the "founding of a new party" in order to win indepenent and democratic new politics, new system and new life.

The United States should look squarely at the desire and will of the South Korean people to live an independent life and take their hands of interference off South Korea.

The No Tae-u-Kim Yong-sam-Kim Chong-pil group should withdraw the "declaration on the merger of three parties" and step down from power and quit the political circles as demanded by the South Korean people.

Daily Condemns Three-Party Merger in South

SK2501062490 Pyongyang KCNA in English 0601 GMT 25 Jan 90

[Text] Pyongyang January 25 (KCNA)—NODONG SINMUN today comments on the fact that the presidents of the South Korean "Democratic Justice Party"

(DJP), "Reunification Democratic Party" (RDP) and "New Democratic Republican Party" (NDRP) published a decision on the merger of the three parties on January 22 under the pretext of "political restructuring".

The paper in its commentator's article brands this coalition as an offspring of the crisis of the colonial military fascist dictatorship of the U.S. imperialists and the No Tae-u group, which is another political coup to maintain and prolong the military fascist dictatorship by uniting the ultra-rightist reactionary forces and a malicious wholesale reactionary offensive against the forces for reunification and democracy.

The "political restructuring" in South Korea this time, notes the paper, was forced in such a manner that the United States brought together its henchmen and wooed them according to its aggressive demand and interests.

The paper recalls that the United States had sought to stabilise the political situation through "political restructuring" by "grand coalition of conservative forces" from 1986 when the mass struggle for independence, democracy and reunification rapidly rose to a high tide in South Korea.

The paper continues:

As for the "DJP" of No Tae-u, it was the head office of the cursed "Fifth Republic"; it is a treacherous party, a murderous fascist party and a party for division and confrontation which has become a target of resentment of the South Korean people. The "NDRP" of Kim Chong-pil is the head office of "Yusin" and a group of its remnants which should have gone to its grave with Pak Chong-hui who met his destruction ten odd years ago; it is a "semi-ruling party" which has served the "DJP" as its bridesman after being barely revived with the backing of the United States.

And the "RDP" is nothing but a private party of Kim Yong- sam which, after collecting votes by deceiving the people with the slogan of "democratisation," has ignored the people's will and played a rope-dancing between the ruling and opposition parties to gratify the personal greed for power. By betraying the old desire of the people for democratisation and getting into the same room with the fascist dictator of "Chongwadae," Kim Yong-sam smeared his own face and made himself an enemy of democracy.

The United States is rallying these vulnerable force [as received], seeking to keep South Korea under its domination and yoke with them as the support. This indicates that it is today in a very sorry lot and the days of the more than 40 year long colonial rule are numbered.

The paper brands the "political restructuring" through the merger of three parties as a product of the manoeuvrings for the long-term office of the military fascist group and of the "two Koreas" scheme to freeze the present state of division of the country against the desire of the entire people for reunification.

In face of the reality in which the cause of national reunification is turning into a nationwide work involving the whole nation, the No Tae-u group, at the instigation of the United States, is trying to maintain at any cost the "unified channel" for monopolizing dialogue and discourse on reunification and create "two Koreas" by turning the North-South relations into worse relations of confrontation and division, notes the paper, and continues: By replacing the present four-party setup of "a strong opposition and a weak ruling party" to a two-party setup of "a strong ruling party and a weak opposition," they foolishly intend to confront the South Korean reunification forces with an allied force and stand against us, too.

The fascist "Political Restructuring" cannot stem the trend of the situation toward independence, democracy and reunification in South Korea and this torrential flow will precipitate the destruction of the fascist dictators, declares the paper.

Public Groups Denounce Punishment of Yim, Mun

SK2601114590 Pyongyang KCNA in English 1029 GMT 26 Jan 90

[Text] Pyongyang January 26 (KCNA)—The No Tae-u group must give up the criminal scheme to punish women student Yim Su-kyong and Father Mun Kyu-hyon who did a laudable thing for the country and the nation on faked charges, and release them at once and immediately stop suppressing democratic forces for reunification and patriotic people of South Korea, demand the Korean struggle committee for the release of Yim Su-kyong, the Central Committee of the League of Socialist Working Youth of Korea and the Korean Students Committee in their joint statemoe Friday.

Denouncing the strong-arm trial staged by the No Tae-u military fascist clique at which it committed the fascist outrage of demanding a prison term of 15 years for Yim Su-kyong and 10 years for Mun Kyu-hyon by invoking the notorious "National Security Law", the joint statement says:

This was not a trial but an act of brigandishing on the part of the fascist hungmen who imposed "penalties" upon them according to a script written beforehand and an illeal and lawless trial in which the elementary legal procedures and human rights were totally violated.

For the South Korean authorities to impose heavy penalties upon coed Yim, the flower of reunification, and Father Mun is a criminal act of throwing a wet blanket over the ardent desire of the fellow countrymen for reunification and building higher the barrier of division and confrontation.

Those who deserve punishment in South Korea are Chon Tu-hwan, No Tae-u and other chieftains of the dictatorship of the "Fifth Republic".

At a time when the entire Korean people in the North and the South are overflowing with deeper confidence and more earnest desire for national reunification in the new year, the No group forced heavy penalties upon coed Yim and Father Mun at the illegal strong-arm trial. This is aimed at propping up the tottering colonial military fascist rule and aggravating confrontation between the North and the South by brutally suppressing the patriotic people desirous of independence, democracy and reunification with the club of the fascist "security-orientated rule."

If the fascist hangmen dare punish woman student Yim Su-kyong and Father Mun Kyu-hyon in defiance of strong protests and denunciation at home and abroad, they will face a stern judgement by history as traitors who challenged the desire of the fellow countrymen for reunification and fascist hangmen who brandished the sword at reunification and patriotism.

Defector to North Interviewed by Reporters

SK2501113090 Pyongyang KCNA in English 1109 GMT 25 Jan 90

[Text] Pyongyang January 25 (KCNA)—South Korean So Chae-hui, 32, who came over to the Northern half of the country some time ago was interviewed by home and foreign reporters here Thursday.

He hailing from Chonju, North Cholla Province, graduated from the College of Social Science of Seoul University in 1981, and then served as an administration official of the "South Korean Academy of Science and Technology" and helped his father in construction business in Chonju.

Referring to the motive of his coming over to the North, he said his defection was prompted by his disillusion about the unjust, corrupt and ailing South Korean society full of contradictions and his longing for the society of the North where the working people are the master of the country.

He said he made up his mind to come over to the North when he was under the surveillance of the "Security Planning Board" for his contact with activists and succeeded in coming to the bosom of the socialist fatherland, the bosom of the great President Kim Il-song and the dear leader Mr. Kim Chong-il from the United States some time ago.

He emphasized that the road of coming over to the North he chose is neither escape nor submission but a righteous road to live a life worthy of man under the most sacred socialist system in the North and devote his all to the sacred national cause for the reunification of the country.

The South is an anti-popular and anti-reunification society bad to live in, full of double and treble contradictions, plus national contradictions, because it is a colony of the United States, he said, and continued:

The economy of the South is a dummy economy which can hardly survive without dependence on the United States and a brigandish economy which can hardly produce anything without bleeding workers white.

The nominal "regime" of the South is no more than a tool of executing dependent politics, colonial rule of the United States, politics is administered in the South by intrigues and frauds, money and power are its means and the political result is "the rich getting richer and the poor becoming poorer".

It is an irresistible trend to espouse, study and disseminate the chuche idea among South Korean youth and students. In this course South Korean students have come to share the view that the chuche idea is, indeed, the great idea of our nation which indicates the most correct way for the independence and democratization of society in the South and the reunification of the country.

Groups for the study of the chuche idea have been organized in each college and university. The students of the groups are reading with avidity works of the dear leader Mr. Kim Jong-il [words indistinct] and "on some problems of education in the chuche idea" and his other works on the chuche idea and books on this idea and continuously contributing their treatises on their study to "university and college gazettes."

Youth and students of South Korea are now so ardently espousing and following the chuche idea, out of their ardent reverence for and loyalty to the great President Kim Il-song, the author of the chuche idea, and the dear leader Mr. Kim Chong-il who has developed and enriched the idea.

The great President Kim Il-song in his new year address put forward a new epochal reunification proposal to convert the cause of national reunification into the cause of the whole nation. It is, indeed, a timely and realistic step for the realisation of the desire and demand of the nation to pull down concrete wall built in the area south of the Military Demarcation Line and ensure free travel between the North and South and a full-scale open door.

Seoul Trade Unions Call for New Council

SK2201051290 Pyongyang KCNA in English 0450 GMT 22 Jan 90

[Text] Pyongyang January 22 (KCNA)—Representatives of trade unions of different industrial branches affiliated with the Seoul Council of Trade Unions ("Sonohyop") at a press conference on January 19 called for an active participation in the work to form the "National Council of Trade Unions" ("Chonnohyop"), according to a report.

In a statement they vowed to "take the lead in the struggle for labour emancipation by taking an active part in the work to form Chonnohyop."

They denounced the fascist clique's scheme to totally block an inaugural meeting of Chonnohyop slated for January 22 and demanded the "'government' to immediately cancel the plan to check its formation".

Working people belonging to Sonohyop and some 500 students held a meeting Saturday and vowed to push the inaugural meeting of Chonnohyop come what may, not yielding to any suppression.

On the same day student Mun Kwang-myong, chairman of the General Student Council of Seoul University, who is acting chairman of Chondaehyop [National Council of University Student Representatives] and wanted by the fascist clique, called a press conference at Chonnam University and stated that a joint struggle would be launched throughout South Korea on January 22 when a trial of Yim Su-kyong and an inaugural meeting of Chonnohyop are scheduled.

More than 200 students of Seoul University held a meeting at the plaza of campus on January 19 to smash the fascist clique's suppression of labour movement and expressed solidarity with the struggle to form Chonnohyop.

U.S.-South Joint Military Exercises Denounced

Aerial War Exercises Noted

SK2601010190 Pyongayng Domestic Service in Korean 2200 GMT 25 Jan 90

[Text] According to military sources, the U.S. imperialists and South Korean puppets, while frenetically conducting war exercises of various types as part of the aggressive "Team Spirit 90" joint military exercise, are now creating a murderous atmosphere of war terror across South Korea.

With the intention of enhancing capabilities for an actual war through the large-scale "Team Spirit 90" joint military exercise being conducted with the Korean peninsula assumed as an operational stage, the U.S. imperialists have now staged preliminary exercises of various types in preparation for their goal. On 24 and 25 January, they staged another round of war exercises with formations of attack aircraft and transport aircraft flown from their overseas aggressive bases.

On 24 January, the U.S. imperialists created a war atmosphere by viciously staging an emergency exercise of striking at ground targets in the areas of the Northern half of the Republic by bringing into South Korea formations of A-4 attack aircraft from their aggressive overseas bases in the Pacific. This was done with cooperation from F-16 fighter-bombers belonging to the U.S. Air Force imperialist aggression forces occupying South Korea.

In addition, on 25 January the U.S. imperialists frantically staged an aerial war exercise of rapidly airlifting U.S. imperialist aggression troops and war materials to the operational areas from their overseas aggressive bases in such areas as Japan and the Philippines. They accomplished this by mobilizing formations of C-130 transports based at aggressive bases in the Pacific.

Prior to this, on 23 January the South Korean puppets fanned war fever. They repeated exercises for mounting surprise strikes aimed at an invasion of the North, and flew in succession 40 F-4, F-5, and F-16 fighter-bombers belonging to the puppet Air Force.

'Team Spirit' Exercise Prepared

SK2601035690 Pyongyang Domestic Service in Korean 2200 GMT 19 Jan 90

[Text] According to a military source, for several days since they announced that they would conduct the provocative "Team Spirit-90" joint military exercise in defiance of public opinion at home and abroad, the U.S. imperialist aggressors have successively brought brass hats of the forces of aggression and other troops of aggression, calling them members of the advance team or groups of inspectors and instructors, into South Korea from the U.S. mainland and their bases of aggression overseas, thus further aggravating tension on the Korean peninsula.

These days, the U.S. imperialists brought brass hats of their forces of aggression from the U.S. mainland and their bases of aggression overseas into South Korea. These brass hats heard a final report on the criminal "Team Spirit-90" joint military exercise from the brass hats of the U.S. forces of aggression occupying South Korea and from the puppet forces, and had an operational talk to conduct this war exercise involving northward invasion in order to launch a nuclear attack using the Korean peninsula as their operation stage. They are planning to conduct this exercise in ways an actual war would be waged.

Hanminjon Criticizes Exercise

SK2601050790 Pyongyang KCNA in English 0429 GMT 26 Jan 90

[Text] Pyongyang January 26 (KCNA)—A spokesman for the Central Committee of the South Korean National Democratic Front (Hanminjon) issued a statement on January 24 denouncing the scheme of the U.S. imperialists and the No Tae-u fascist clique to stage the "Team Spirit-90" joint military exercises, according to radio Voice of National Salvation.

The statement recalled that the North, reflecting the ardent desire of the whole nation for reunification and the urgent demands of the times, put forward recently a very important and epochal peaceful reunification proposal to remove the concrete wall along the truce line and realize free travel and complete opening between the North and the South and, to this end, convene without delay a North-South top-level conference in which the heads of the authorities and the leaders of political parties will take part.

The United States and the No Tae-u "military regime" openly challenged it with the announcement of a plan to stage a nuclear war gamble called "Team Spirit-90" joint military exercises in disregard of all this, the statement said, and stressed:

In trying to stage again the "Team Spirit" nuclear war exercises which they have escalated annually against the trend of the times toward peace and reunification the United States and the No Tae-u group seek to threaten the people's anti-U.S. movement for reunification which is gaining momentum with every passing day by military actions and thus maintain at any cost the colonial fascist rule now facing a catastrophic crisis and, furthermore, to unleash a nuclear war on the Korean peninsula any moment to annex the northern half of Korea and gratify their ambition for world domination.

Hanminjon, the statement said, strongly urges the U.S. imperialist aggressors and the No Tae-u group of traitors to look squarely at the South Korean people's unbreakable will to fight against the U.S. and for peaceful reunification, immediately cancel the projected "Team Spirit 90" joint military exercises and withdraw all the nuclear weapons from South Korea without delay.

U.S., South Must 'Give Up' Exercise

SK2601051390 Pyongyang KCNA in English 0435 GMT 26 Jan 90

[Text] Pyongyang January 26 (KCNA)—The South Korean authorities must refrain from seeking a nuclear war to exterminate the fellow countrymen and reduce the territory to ruins, following the war policy of the U.S. imperialists and give up the plan to stage the "Team Spirit 90" joint military exercises and show an affirmative response to our new proposal for national reunification and negotiation, said Yi Kye-paek, chairman of the Central Committee of the Korean Social Democratic Party, in his statement issued to the press on January 25.

The scheme of the U.S. ruling quarters and the No Tae-u group to stage the "Team Spirit" joint maneuvers is a vicious military challenge to the new proposal of our republic and an open declaration of a cold war, a declaration of confrontation against the progressive mankind of the world who desire peace and peaceful reunification of the Korean peninsula, he said.

The United States and the South Korean puppet clique are talking nonsense about the "reduction of the scale" of the "Team Spirit 90" war game as if they are interested in the North-South dialogue and relaxation of tension on the Korean peninsula. But this is a clumsy drama to conceal the aggressive nature and character of the nuclear war exercises and cover up their dark colour as bellicose elements and war maniacs and a sinister ruse to dull the vigilance of people, he stressed, adding:

By staging the "Team Spirit 90" war gamble, the U.S. imperialists and the No Tae-u group are attempting to threaten and blackmail the just patriotic struggle of the South Korean people for independence, democracy and reunification, bridge over the crisis of the colonial military fascist rule and block North-South dialogue, detente, peace and peaceful reunification.

The U.S. imperialists should cancel at once the plan for the criminal "Team Spirit 90" joint military maneuvers and promptly get out of South Korea, taking along their troops and nuclear weapons.

Paper Denounces 'Heinous' U.S. 'Peace Strategy'

SK2601110390 Pyongyang KCNA in English 1019 GMT 26 Jan 90

["Decepive 'Peace Strategy' of U.S. Imperialism"—KCNA headline]

[Text] Pyongyang January 26 (KCNA)—The heinous nature of the "peace strategy" of U.S. imperialism lies in its attempt not only to conceal its moves of aggression and war with the veil of "peace" but also to achieve by cunning method its aggressive aim which it could not attain with strength.

While having dealings on "disarmament" and "cooperation" under the cloak of "peace" and "detente", the U.S. imperialists are today actually expanding armament, hastening preparations for a nuclear war and committing aggression and intervention more viciously behind their curtain.

So says NODONG SINMUN today in a signed article titled "Deceptive 'Peace Strategy' of U.S. Imperialism".

Noting that the tactics of political, ideological and cultural disintegration of socialist countries from within craftily sought by the U.S. imperialists are the main point of their "peace strategy", the article says:

The U.S. imperialists set it as the core of their global strategy to contain and stifle the socialist forces, the fortress of peace and progress. They leave no stone unturned in their bid to attain this purpose not only with "supremacy of strength" and "nuclear superiority" but with a peace stratagem.

The U.S. imperialists try to destroy the socialist countries from within by decrying the superiority of socialism and breathing the idea of "liberalization" into them.

With a peace stratagem they also attempt to disorganize and destroy the non-aligned movement, a righteous international movement representing the demand of the era of chajusong and aspiration of the people, and detach the non-aligned countris and Third World countries from the road of independence against imperialism.

Under the mask of "mediator" and "guarantor", the U.S imperialists are expanding disputes and rendering them acute to use them in their armed intervention, while shouting themselves hoarse that the disputes should be settled in a peaceful way through dialogue and negotiation.

While talking about "relaxation" of tension in some areas, they are aggravating it in other areas and, while crying for "improvement of relations" with big powers, they threaten and blackmail small countries. This is a strategy to destroy the anti-imperialist, independent forces one by one by concentrating strength on some areas and, especially, conquer and destory small but revoluionary countries by directing the sharp edge of attack to them.

Thus the U.S. imperialists are now trying to gratify their aggressive desire by crafty ruse under the veil of "peace", pursuing "peace strategy" together with the policy of strength.

The present situation, the article stresses, urgently demands that all the peaceloving people of the world heighten vigilance against the U.S. imperialists' deceptive "peace strategy" as well as their reckless policy of strength and struggle with concerted efforts to check and frustrate it.

U.S. Forces Conditional Withdrawal 'Shameless'

SK2601055990 Pyongyang KCNA in English 0503 GMT 26 Jan 90

[Text] Pyongyang January 26 (KCNA)—To make the withdrawal of the U.S. forces conditional on the change of the situation around the Korean peninsula is a shameless sophism that cannot be understood by any one, NODONG SINMUN today says.

Recalling that those present at the U.S.-South Korea high-level military and diplomatic working talks held in Hawaii recently shared the view that the U.S. Forces present in South Korea should be maintained on the present level as long as the situation around the Korean peninsula remains unchanged, the news analyst says:

This clearly revealed the scheme of the United States and the South Korean puppets to indefinitely keep the U.S. occupation forces in South Korea.

To try to perpetuate the U.S. forces' occupation of South Korea is a challenge to the entire Korean people and the world people demanding in unison the withdrawal of the U.S. forces from South Korea for peace in Korea and its peaceful reunification.

The U.S. imperialists, illegally occupying South Korea for more than 40 years, have turned it into the largest nuclear forward base in the Far East and are staging adventurous war exercises on the Korean peninsula and its surroundings almost everyday.

It is the height of sarcasm for the very one who is aggravating the tensions on the Korean peninsula to attempt to justify the U.S. forces' permanent occupation of South Korea on the plea of it.

The pullout of the U.S. forces from South Korea is an irresistible demand of the time.

The voice demanding the withdrawal of the U.S. Forces is growing louder each day among the American people, too. Under the pressure of this demand the U.S. ruling quarters set afloat words about a partial "reduction" of their forces stationed in South Korea. But this was nothing but a trick to deceive the public at home and abroad.

The U.S. imperialists should lend an ear to the voice of the people at home and abroad and unconditionally pull their forces and nuclear arms out of South Korea and take hands of aggression and interference off Korea.

Editorial Urges Sharing Cost for U.S. Troops

SK2601034590 Seoul CHOSON ILBO in Korean 25 Jan 90 p 3

[Editorial: "Korea-U.S. Defense and Functional Relations in Their Interests"]

[Text] One important issue, whose significance has been overlooked due to the whirlpool of the rapidly changing domestic political situation, is the talks held in Hawaii on 17 and 18 January between working delegates from the Defense Ministry of Korea and the United States. It has been learned that, based on what was discussed in the talks between the working delegates from our Defense Ministry and Foreign Ministry and their U.S. counterparts, talks between the defense ministers of Korea and the United States will be held in Seoul on 14 February. During these talks, major contents of the "report on the reappraisal of U.S. troops stationed in Korea," which the Bush administration will submit to the U.S. Congress in early April, will be worked out.

Seeing this, what we are concerned about right now is the content of the Hawaii talks. According to reports, two major issues were discussed by both sides during the Hawaii talks. One was the issue of reduction and the phased withdrawal of U.S. ground forces, and the other was the issue on increasing the amount of Korean side's share of the cost for maintaining the U.S. troops in Korea.

The urgent matter attracting our interest is the issue of reduction of the U.S. ground forces in Korea and their ultimate withdrawal from Korea. Concerning this issue, various views and opinions at home and abroad have been put forward in the past. What was common among them was the theory that U.S. troops should withdraw from Korea sooner or later—the theory justifying overall withdrawal of U.S. troops. However, such a theory always necessitates readjustment of one's practical interest.

The reason we need foreign troops is that we are living in a solemn reality in which our own existence is threatened without the presence of foreign troops. The theory on overall withdrawal of U.S. troops still remains a hypothesis which we hope will be realized in the distant future. However, if North Korea turns even half of its offensive

posture against South Korea into a defensive posture, the need for U.S. troops will be halved.

North Korea has maintained a surprise attack posture, which ordinary people cannot even imagine, for scores of years in terms of firepower and troops. The working delegates of both Korea and the United States shared the same views during the Hawaii talks that "there is no indication of a relaxation of tensions in Northeast Asia which will serve as a precondition for reducing and withdrawing U.S. troops from Korea in a phased manner. This means that the delegates from both sides are keenly aware of the situation in North Korea.

However, as for our own situation, due to the aggravated overall economic situation and the trend of disarmament, the United States has to reduce its troops overseas, and U.S. Forces in Korea cannot be the exception. It appears that a phased withdrawal over the next 5 years will be inevitable and the ultimate withdrawal after that time will also be unavoidable.

We must make preparations for this. We must cope with such a situation both economically and mentally. Sharing the cost for U.S. troops in Korea should be considered a part of this stance. Various expenditures incurred by U.S. troops, including costs for land, facilities, manpower support, maintenance and operation, and for increasing joint defense capabilities (about $2.2 billion in 1989) are precisely the amount which we must shoulder ourselves. In other words, these expenditures are necessary not because of the U.S. troops in our country. Even if there were no U.S. troops, we would have to spend scores of times more than this amount, and thus we are spending much less money thanks to the U.S. troops.

North Korea in its relations still considers China as a blood ally. However, Korea-U.S. relations cannot be termed as such. Korea-U.S. relations are friendly but each side is figuring up its own economic interests. Proceeding from this, we must become a member of a mature, international society which is able to judge in a cool-headed manner what we are gaining and what we are losing from the presence of the U.S. troops, our traditional ally in our country, as well what the United States is gaining and losing. Japan recently decided to bear the expenditure required for salaries of employees working for the U.S. troops. People call such expenditure a "goodwill budget." This is nationalism which truly takes the national interest into consideration.

Soviet Troop Withdrawal From Vietnam Supported

SK2601123190 Pyongyang Domestic Service in Korean 1100 GMT 26 Jan 90

["Press Statement" issued by the spokesman of the DPRK Foreign Ministry in Pyongyang on 26 January—read by announcer]

[Text] Recently, the Soviet Government announced that it will withdraw Soviet troops from Cam Ranh Bay in Vietnam according to the agreement with the Vietnamese side.

Today, the withdrawal of foreign troops and the dissolution of foreign military bases in many places of the world have become one of the trends of the time and a basic condition for realizing disarmament and guaranteeing peace.

While consistently implementing the peaceloving foreign policy, the Soviet Government put forward active proposals for realizing nuclear disarmament and reduction of the regular armed forces. It is, in actuality, accelerating the process of disarmament.

The Soviet Union completely withdrew its troops from Afghanistan and is withdrawing its armed forces from Europe and Asian countries in a phased manner.

The Soviet Union put forward a series of steps for the relaxation of tensions and arms reduction in the Asia-Pacific region and is making active efforts to put them into practice.

The DPRK Government welcomes and supports the Soviet measure to withdraw armed forces from Vietnam, considering that it will help lower the level of military confrontation in the Asia-Pacific region and hasten the process of detente worldwide and will create an atmosphere of mutual trust.

In order to ease tensions and guarantee peace in the Asia-Pacific region, the United States should make a courageous decision to withdraw its armed forces from this region following the Soviet example.

However, the United States stated that the Soviet withdrawal of its armed forces from Cam Ranh Bay in Vietnam would not have an effect on the future of the U.S. bases in the Philippines. This shows that there is no change in the U.S. stand to maintain military predominance in the Asia-Pacific region.

The United States should not pay only lip-service to detente and arms reduction, but should withdraw its troops that are deployed in many places of the world and should dissolve its military bases. In particular, the United States should stop aggravating tensions on the Korean peninsula and should adopt a practical step to pull its troops and nuclear arms out of there, which would serve as a key factor for stability in the Asia-Pacific region.

The withdrawal of the U.S. troops and nuclear weapons from South Korea will guarantee peace on the Korean peninsula and its reunification and will help accelerate the process of detente not only in the Asia-Pacific region but also throughout the world.

The DPRK Government will continue to make all efforts to realize a phased and balanced arms reduction on the Korean peninsula, thereby accelerating the process of

overall arms reduction and to guarantee peace and security in the Asia-Pacific region.

[Dated] 26 January 1990, Pyongyang

Soviet Papers Comment on Kim Il-song Address

SK2501235090 Pyongyang KCNA in English 1506 GMT 25 Jan 90

[Text] Pyongyang January 25 (KCNA)—The Soviet newspaper KOMSOMOLSKAYA PRAVDA in its news analyst's article on January 21 noted that the concern of the people of the Democratic People's Republic of Korea is focused on the concrete wall which is called "national shame." This wall lies in the area south of the Military Demarcation Line [MDL] which divides the Korean peninsula into two parts, cutting across it at its waist, it said, and continued:

After the great leader Comrade Kim Il-song set forth a new reunification proposal in his New Year address, the strong wave of anger at the wall built by the South Korean authorities has risen higher in the DPRK.

Saying that the concrete wall is surprisingly vast, the paper wrote about its size and said the South Korean puppets poured a colossal amount of cement and reinforcing iron into the construction of this fortified "monster."

The Soviet paper GUDOK in its news analyst's article January 20 pointed out that the DPRK appealed to the South Korean authorities to destroy the concrete wall running along the MDL which divides Korea into the North and the South, ensure free travel of Koreans and fling the door open between the two parts of the country in all fields including politics, the economy and culture. This appeal is very timely, it stressed. Noting that the desire for achieving contact between the North and the South is growing, it said that the DPRK proposed a North-South top-level conference in which the heads of the authorities and the leaders of political parties will take part and calls for actively continuing the North-South talks in various fields.

NODONG SINMUN Comments on Party Policy

SK2101092190 Pyongyang KCNA in English 0833 GMT 21 Jan 90

[Text] Pyongyang January 21 (KCNA)—NODONG SINMUN today carries an article titled "It Is Our Party's Traditional Work Method To Go Among Masses and Carry on Revolution and Construction by Relying on Them."

Noting that our party has consistently maintained from long ago the policy of letting officials go deep among the masses and conduct their work in reliance upon their strength, the article says:

The great leader Comrade Kim Il-song published the historical work "The Tasks and Role of the Local Organs of Power at the Present Stage" on February 1, 1952. This is a clear proof of the sagacity of the leadership of our party, which has long since opposed bureaucracy and subjectivism and advanced the revolutionary struggle and constructive work by the revolutionary method of relying on the popular masses.

Comrade Kim Il-song taught:

"Our party has always mixed with the masses and relied on them in its work and was thereby able to advance the revolution and construction victoriously, and whenever it was faced with hardships and trials, it believed in the masses, mixed with them and drew on their strength and wisdom, and so was able to triumph over adversity."

Comrade Kim Il-song created the Chongsan-ri spirit and the Chongsan-ri method by applying and developing the traditional work method of the period of the anti-Japanese revolutionary struggle in conformity with the new reality of socialist construction in the stage of building socialism.

Our party's traditional work method of going among the popular masses and making revolution in reliance upon them is a revolutionary work method based on the principles of the chuche idea. The advantages and might of this work method lie in that it guides the popular masses to maintain their stand as the master of the revolution and construction and play their role as such.

Specifying the vitality of the revolutionary method of going among the masses and relying on them, the article says: It lies in that it is a method of achieving the unity of the party and the masses and that it combines guidance with the masses and let the superior and the subordinates discharge their revolutionary tasks with credit by joint efforts.

Stating that it is a powerful work method which enlists the revolutionary enthusiasm of the masses and their creative wisdom to overcome difficulties and trials and triumphantly advance revolution, the article says with emphasis:

With the application of the revolutionary work method of relying on the masses, our party has become today an indestructible party which is dynamically promoting the revolutionary cause of chuche in one body with the masses, having established blood ties with them. It is the revolutionary traits of our society that the entire people entrust their destiny entirely to the party and struggle along the road indicated by the party without the slightest vacillation. The unbreakable blood ties and indestructible unity and cohesion between the party and the masses are the most precious gains of our revolution and the fundamental factor of all our victories.

No Tae-u, RDP's Kim Tete-a-Tete Talks Scored

SK2501021790 (Clandestine) Voice of National Salvation in Korean to South Korea 1000 GMT 13 Jan 90

[Text] On 12 January, No Tae-u had a tete-a-tete talk with Kim Yong-sam, president of the Reunification

Democratic Party [RDP]. Concerning North-South relations, No Tae-u and Kim Yong-sam agreed to actively deal with exchanges and cooperation, as well as with political and military issues. They also agreed to push ahead with exchange of politicians and political parties if necessary and to carefully see to it that such exchanges are not misused by North Korea.

It was learned that they shared the same view on the necessity of unifying the channels of dialogue, exchange, and cooperation between the North and South into that of the government.

This is an antinational and antireunification act running counter to the demand of the masses from all walks of life who want to push ahead with dialogue and exchange not only between governments but also between civilian organizations.

Furthermore, what should not be overlooked is that the opposition party began to collaborate with the political maneuvers of the United States and tricks of the No Tae-u group which is attempting to continuously maintain security of power and fascist dictatorship through extraordinary negotiations between ruling and opposition parties. This is a treacherous act against all the people including the masses from all walks of life who voted for the RDP during the past elections.

At the talks, No Tae-u and Kim Yong-sam agreed to revise the National Security Law and the Agency for National Security Planning Act, noting that the abolition of these laws is difficult, and to dissolve various special committees within the National Assembly.

At a time when all the people want to make a thoroughgoing probe of the Kwangju massacre and the Fifth Republic irregularities and demand judicial and systematic liquidation of all fascist evil laws including the National Security Law and the Agency for National Security Planning Act—an outcome of the Fifth Republic dictatorship—and punishment of all the ringleaders of the massacre and irregularities, the No Tae-u group and an opposition party agreed to promptly dissolve the National Assembly special committees including the Kwangju special committee, pushing aside the abolition of evil laws. This is a political collaboration designed to equivocate the liquidation of the Fifth Republic legacies merely based on party strategy and party interest.

During the talks of heads of four political parties late last year, they made a political bargain by reaching an agreement to finalize the liquidation of the Fifth Republic through Chon Tu-hwan's National Assembly testimony. Following this, at another separate meeting, they decided not to abolish the National Security Law and other evil laws, which serve as a stumbling block. This again shows the cunning political maneuvers of the United States and the No Tae-u group which is attempting to continuously maintain the military dictatorship through extraordinary negotiations between the ruling and opposition parties and ugly nature of Kim Yong-sam who merely seeks party strategy and party interest in collaboration with the United States and the No Tae-u group.

South Korea

Inaugural Convention for New Party To Be 22 May

SK2601014890 Seoul THE KOREA HERALD in English 26 Jan 90 p 2

[Text] A national convention to inaugurate a new conservative political party by merging three of the nation's four parties will be held May 22.

In preceding actions, the ruling Democratic Justice [DJP], the opposition Reunification Democratic [RDP] and the New Democratic Republican [NDRP] parties are to hold separate special national conventions Feb. 1, Jan. 30 and Feb. 5, respectively, to officially resolve the three-party merger.

At the conventions, the three parties are expected to decide to entrust a 15-member committee with full powers regarding the establishment of an unprecedented new conservative party.

The 15-member panel for forming the new party is to convene its second meeting Monday to further discuss the leadership formula, appointment of chiefs of local party chapters, policy line, constitution and regulations of the yet-to-be-formed party.

On the leadership system, the three parties have virtually agreed that President No Tae-u will head the new party, RDP leader Kim Yong-sam will be named head of a five-member leadership council, with DJP Chairman Pak Tae-chun and NDRP leader Kim Chong-pil named members of the council.

They have also agreed to introduce Yi Ton-myong, a lawyer, and a figure from Cholla Province into the leadership council.

On the policy line of the new party, the three parties have agreed that it will have a moderate, middle-of-the-road democratic line respecting liberal democracy and the free market system.

The 15-member panel yesterday picked six representatives, two each from the three parties, in a bid to resolve differences before a full session.

No, Two Kims To Create Party Leadership Format

SK2601024690 Seoul THE KOREA HERALD in English 26 Jan 90 p 1

[Text] President No Tae-u said yesterday the leadership system of the projected new party will be decided through discussions among himself, Kim Yong-sam and Kim Chong-pil.

"The question should be left to us three," No said, while calling for an end to alleged disputes among prospective participants in the new party over the leadership system and the allocation of key posts.

No made the remarks during a luncheon meeting at Chongwadae with the two Kims, ruling party Chairman Pak

Tae-chun, and 15 members of a committee charged with the job of preparing detailed guidelines for the new party.

No described the agreed merger of the Democratic Justice Party, the Reunification Democratic Party and the New Democratic Republican Party as a "grand alliance of centrist democratic forces."

"The alliance will enable us to pool the people's potential for the realization of new national goals toward the 21st century," he said.

He asked the committee members to free themselves from personal or partisan interests in making preparations for the new party, named the Democratic Liberal Party.

"Argument over the leadership system of the new party and the allocation of major party posts might trigger unfavorable views among the public," he said.

No then said he and the two Kims will have full authority over the issue of the leadership format.

There have been conflicting reports about respective roles of the three leaders in the new party.

Presenting a six-point guidelines for the new party, No said the party should be future-oriented in its ideals and policies.

"Ours should be the party that can actively accommodate the demands of people in their 20s and 30s and foster cooperation among the generations," he said.

No said the new party should also actively pursue reforms. "We should show to the people that we are determined to carry out promises made so far by the three parties."

"The new party should succeed in both democratization and economic policies," he added.

Stressing that the new party should be a broadly based popular party, the President called for efforts to foster national reconciliation.

He demanded that the new party play leading roles in efforts for national reunification, saying he believes that there will come a change in the North Korean Communist system.

Expected Cabinet Reshuffle Possibly Delayed

SK2501033290 Seoul YONHAP in English 0242 GMT 25 Jan 90

[Text] Seoul, Jan. 25 (YONHAP)—A change of circumstances has forced President No Tae-u to delay bringing opposition lawmakers into the cabinet until May, when a new conservative ruling party is to be formally established at an inaugural party convention, an informed source said Thursday.

No, head of the Democratic Justice Party (DJP), had intended to reshuffle the cabinet in late February but "the situation has changed" in relation to the merger of his DJP with Kim Yong-sam's Reunification Democratic Party (RDP) and Kim Chong-pil's New Democratic Republican Party (NDRP), the source said.

No will name people to fill the major posts in the projected ruling party and the national assembly along with the cabinet reshuffle as the appointments are closely related to the creation of the tentatively named Democratic Liberal Party (DLP), he said.

The president will head the DLP while Kim Yong-sam will be formally under No as chairman of the five-member collective leadership council, but Kim will virtually lead the DLP since he will have full power over party affairs. No is expected to name former opposition lawmakers to the almost totally revamped cabinet, the source said.

A 15-member preparatory committee of the three parties held its first meeting Wednesday to discuss procedures for the merger, format of the leadership and party organization. The committee will also study the possibility of creating a bicameral parliament if the current presidential system is replaced by a cabinet system, the source said.

Korea has a unicameral national assembly with 224 lawmakers elected from regional constituencies and 75 from the national constituency by proportional representation.

Pak Chun-pyong, DJP secretary-general, said Wednesday he felt the need for a bicameral assembly to establish parliamentary democracy. A bicameral house, according to the DJP's no. 3 man, would help recruit promising politicians as members of the upper chamber who can better contribute to national development.

The preparatory committee has agreed to set up a policy coordinating body to handle revision of laws and other matters before the inauguration of the huge conservative party, the source said.

The DJP, RDP and NDRP have differed on the rewriting or abolishment of so-called undemocratic laws such as the National Security Law and the law on the agency for national security planning.

No and the two Kims agreed to merge their three parties in a grand conservative party but are reportedly in discord over the format of the leadership and the government system, both of which are closely entwined with the political future of the party leaders. The three are also faced with a strong challenge from Kim Tae-chung, head of the Party for Peace and Democracy (PPD).

The PPD leader, who was virtually excluded from the alliance and reportedly fears that the realignment may frustrate his ambitions for the presidency and even isolate him, called for a halt to the merger and said it is an attempt "to convert military dictatorial rule into one-party dictatorial rule."

Opposition May Join Cabinet After Alliance

SK2501032890 Seoul YONHAP in English 0242 GMT 25 Jan 90

[Text] Seoul, Jan. 25 (YONHAP)—Opposition lawmakers may join the cabinet after South Korea's new

ruling alliance is launched next month, a member of the committee working on the merger said Thursday.

"The committee has decided to hold the inaugural convention of the new ruling party by Feb. 20 and, after the new party is in shape, there may be a cabinet reshuffle in which former members of the Reunification Democratic Party (RDP) and the New Democratic Republican Party (NDRP) will participate on a large scale," RDP rep. Hwang Pyong-tae told YONHAP news agency in an interview.

Hwang, one of the key architects of the "revolutionary" political realignment, said, "whether the merger is successful or not depends on what happens to the national economy after the restructuring. If the economy continues to grow from now on, the political reshaping will be appraised as a success."

He predicted the political culture in Korea will be radically transformed and the excessive confrontation between the ruling and opposition camps will be replaced by issue-oriented politics and a climate of respect for discussion and compromise.

Hwang, a former government official and former university president, is a top adviser to Kim Yong-sam, who is the head of the RDP and overnight turned himself from an "opposition fighter" to a "co-manager of state affairs" along with minority opposition leader Kim Chong-pil amid harsh criticism from Kim Tae-chung, his arch rival.

He denied flatly that the three parties are considering the adoption of the dual executive system, a compromise between the presidential and cabinet setups that is used by France, saying it was agreed that the framework of the next government will be discussed after the national convention of the new party in may.

"Even if a constitutional amendment to institute a cabinet system is pushed for, the decision will be made just before the general election due in 1992," Hwang said.

It is rumored that the leadership of the mega-party may prefer a dual executive system since it will provide more room to share power.

Hwang also bluntly ruled out the possiblity of introducing a bicameral parliament. "As far as I know, there was no such discussion at talks between the three party leaders and they will not consider it. Do you think people would accept the idea of increasing the number of lawmakers?" he added.

Bicameral Parliament Under Consideration

SK2501022290 Seoul THE KOREA HERALD in English 25 Jan 90 p 1

[Text] The projected new party, the Democratic Liberal Party, will push for a bicameral parliament to replace the current unicameral system, a ruling party official said yesterday.

He also said the new party is likely to opt for a shift from the present single-seat constituencies to mid-sized multiple-seat electoral districts.

"There is a need to introduce the bicameral format for the fostering of sound parliamentary politics and political culture," said Pak Chun-pyong, secretary-general of the Democratic Justice Party [DJP].

"I think the new setup would enable a larger number of political elites to participate in parliamentary politics," he added.

Pak said the idea of changing the parliament and electoral systems is also being positively considered by the Reunification Democratic Party [RDP] and the New Democratic Republican Party [NDRP].

President No Tae-u, Kim Yong-sam and Kim Chong-pil agreed Monday to create a new party through the merger of their three parties.

In the meantime, the three parties voiced different views over the unified party's leadership system.

DJP spokesman Pak Hui-tae denied reports that the new party will adopt a system under which one man will be given supreme authority over the party.

"What is certain now is that President No and the two Kims have agreed to serve as co-leaders till the formal inauguration of the party," Pak said.

The position conflicts with remarks by Kim Chong-pil, who strongly suggested Tuesday that Kim Yong-sam be given the highest authority over party operation, as chief member of the projected five-man leadership council.

Introducing a de facto single leadership system is necessary for effective operation of the party, he said.

President No should be the president of the new party, but the party should be virtually controlled by the chief member of its five-member leadership council, Kim said.

Different views were also presented over the power structure of the next government.

The DJP and the NDRP said a consensus has been reached among the three parties on the need to adopt a cabinet system, but the RDP denied it.

DJP officials are also saying that not only the cabinet system but also a dual executive system is being studied as an option to replace the present presidential system.

Officials of the other two parties said, however, that a dual executive system has never been discussed among the three parties.

The different positions over the power structure and the leadership system will be referred for reconciliation to the 15-member three-party committee charged with the job of mapping out detailed programs for the new party.

If the committee fails to resolve the differences, the matters will be referred to meetings between No and the two Kims, the officials said.

The three parties are also said to have agreed that incumbent lawmakers should be given priority in appointing chiefs of the new party's district chapters.

Change Mainly 'To Satisfy Desire for Power'

SK2501024290 Seoul THE KOREA TIMES in English 25 Jan 90 p 6

[Editorial: "Amendment for Power"]

[Text] The political world has been once again embroiled in a nagging dispute over constitutional amendment centered on the form of government. The ongoing project for the merger of the three political parties is premised on the adoption of a new governing system to replace the present presidential system and a cabinet parliamentary system in this regard has been preferably considered.

President No Tae-u, Rep. Kim Yong-sam and Rep. Kim Chong-pil have discussed the question, weighing the adoption of a cabinet system after No's five-year presidential term ends in 1993, on the assumption of the merger of their parties—the ruling Democratic Justice Party [DJP], the second opposition Reunification Democratic Party [RDP] and the New Democratic Republican Party [NDRP].

Against the backdrop, a new proposal calling for a dual executive system, similar to that in France, has come to the surface, giving more authority to president for a balanced distribution of government power between the head of state and a strong premier.

The main point of another constitutional amendment or the 11th of its kind since national independence in 1948 is to share power among the three parties, aside from their professed political causes and goals. Fortunately or unfortunately, the nation faces another constitutional change mainly designed to satisfy the desire for power of certain politicians.

The cabinet system, of course, is conducive to smooth transfer of government whereas contemporary politics have hardly allowed power transfer particularly from the ruling party to an opposition force without socio-political convulsions. However, it is doubtful that the three leaders have undertaken the merger project purely from this viewpoint.

Kim Yong-sam and Kim Chong-pil need to assuage skepticism over their true motivation for their joining in the ruling camp, bringing with them a concept of a cabinet system calling for a president who is titular head of state and a premier, the virtual power holder. This design presupposes that the Kims do not have great confidence in winning a popular presidential election against Kim Tae-chung.

Justification is difficult for the makeshift shuffle of the political structure at their own convenience and in their own way, skipping the due process of discussion and consensus-seeking among their party members, let alone a popular, national vote.

In particular, Kim Yong-sam has yet to convince his party followers and the people of the need for his abrupt proselytization, shaking off his decades of anti-government struggle. Most ideally, his RDP should have joined forces with the main opposition Party for Peace and Democracy [PPD] led by Kim Tae-chung, and Kim Chong-pil's NDRP with the ruling DJP in view of their party components and political lines.

Kim Yong-sam seems to have given up this ideal strategy too quickly, obsessed with the perceived growth in the political stature of Kim Tae-chung, his arch rival in the opposition camp. This is different question to whether Kim Yong-sam has severed his long-standing ties with Kim Tae-chung because of his ideological differences. At any rate, he must pay heed to the criticism that he has sold out his party for his own benefit.

The matter of foremost importance for all political leaders is their dedicated commitment to their integrity and principles. Regardless of the success or failure of the projected merger, Kim has risked marring his image.

In the meantime, the utmost goal of ensuring political stability is already jeopardized by growing protests against the merger movement from the main opposition PPD and dissident extra-parliamentary forces. If the PPD and the outside groups are allied or united, the nation's situation will be seriously disturbed, betraying the professed purpose of the grand conservative integration.

Kim Tae-chung Rejects Resignations Within PPD

SK2601015190 Seoul THE KOREA HERALD in English 26 Jan 90 p 2

[Text] Three key officeholders of the PPD [Party for Peace and Democracy] yesterday expressed their intention to resign to party President Kim Tae-chung. But Kim refused to accept their stepdown.

The three are Secretary-General Yi Chae-kun, floor leader Kim Won-ki and chief policymaker Kim Pong-ho.

The three intended to resign to take responsibility for letting th political situation draft toward and undesirable direction and to clear the way for the PPD to let in new elements.

But Kim opposed their stepdown on the ground that a shakeup at this moment might give the impression that the party's unity is shaky.

The joint move of the three key officeholders was learned to be initiated by Secretary-General Yi who met party President Kim Wednesday to tell him his wish to resign.

Yi held that the party leadership should assume responsibility for the predicament facing the party. Yi was also motivated by his judgement that some party officeholders are a hindrance to party unity.

PPD Wants Real Name Use in Financial Dealings

SK2601063390 Seoul YONHAP in English 0524 GMT 26 Jan 90

[Text] Seoul, Jan. 26 (YONHAP)—The Opposition Party for Peace and Democracy (PPD) demanded Friday that the use of real names in financial transactions and legislation to introduce the concept of public land ownership be introduced on schedule.

Reacting to reports that the ruling Democratic Justice Party [DJP] is reconsidering the real-name financial system and legislation of the land bills, PPD spokesman Kim Tae-sik said, "if the ruling party actualizes its plan, it will be the first example of the protection of vested interests resulting from the creation of a new ruling party through integration of conservatives.

"It will deserve the suspicion of the Korean people as a deal between politicians and plutocrats," Kim said.

Ruling party chairman Pak Tae-chun had said Thursday, "timing is very important in relation to economic policy. I don't think the time is right for real-name transactions or limits on land ownership," indicating the postponement of enforcement of the real-name system and of legislation of the bills designed to introduce the concept of public land ownership.

The president and two moderate opposition party leaders agreed Monday to create a new conservative party through the merger of their parties, leaving the PPD as the lone opposition party.

Security Tightened as Reaction to Merger Mounts

SK2501023490 Seoul THE KOREA HERALD in English 25 Jan 90 p3

[Text] Police have beefed up security around the houses of two politicians, Kim Yong-sam and Kim Chong-pil, and their party headquarters in Seoul after they were deluged with threatening calls.

Hundreds of college students Tuesday took to the streets in Seoul and Kwangju to protest the merger of the Democratic Justice Party and two opposition parties, the RDP [Reunification Democratic Party] led by Kim Yong-sam and the NDRP [New Democratic Republican Party] led by Kim Chong-pil.

A man in his 40s made a threatening call to the headquarters of the Reunification Democratic Party Tuesday, saying that he would throw sticks of dynamite into Kim Yong-sam's home in Sangdo-tong. He labeled Kim a "turncoat," police were told.

A party officer on night duty told investigators the caller, who identified himself as Kim Yong-kuk from Shillim-tong, southern Seoul, made the call at 6:40 p.m.

A coffee shop proprietor in Shingil-tong, southwestern Seoul, informed the RDP that she saw four youths, looking like college students, plotting to raid Kim Yong-sam's home.

Poll Shows Over 50 Percent Support Party Merger

SK2601051390 Seoul CHOSON ILBO in Korean 23 Jan 90 p 4

[Report by reporter Yun Sok-hong]

[Excerpt] A poll has shown that around 5 out of 10 Koreans of voting age termed the merger of the Democratic Justice Party, the Reunification Democratic Party, and the New Democratic Republican Party as "positive," and 3 termed it "negative." Meanwhile, 2 out of 10 showed no clear-cut reaction to the change of the political situation.

In this telephone survey, CHOSON ILBO and Korea Gallup polled 522 people over 20 years old (257 men and 265 women) from across the country, except for those living in Cheju Province, from 1600 until 2200 on 22 January. Among the respondents, 53.4 percent said that the merger is "positive," and 34.4 percent said that it is "negative." Another 12.2 percent said they "do not know."

On prospects for the political situation when the three parties are merged, 52.2 percent said that it will become stable, and 32.8 percent said that it will become unstable. Another 15 percent said they "do not know."

In the meantime, on the question of whether or not the political circles will be divided into conservative and progressive ones as a result of the party merger, 31.8 percent said that they will, and 37.6 percent said that "they will not."

Over a constitutional revision in favor of a cabinet system, 65.5 percent opposed a cabinet system, saying that "the current presidential system is good," and 26.6 percent supported a constitutional revision in favor of a cabinet system.

Over the exit of No Tae-u and the three Kims, 67.7 percent said that new leaders must emerge, while 21.1 percent said that they must lead the political situation after taking up new roles. [passage omitted]

Chong Ho-yong 'Likely To Seek Reelection'

SK2501060290 Seoul YONHAP in English 0500 GMT 25 Jan 90

[Text] Seoul, Jan. 25 (YONHAP)—Former ruling party lawmaker Chong Ho-yong is likely to seek reelection to the seat he resigned on Dec. 29 under pressure, an aide said Thursday.

Chong, pushed to resign by the opposition for his alleged role in the bloody suppression of Kwangju civil uprising in 1980, may stand in the by-election in his constituency of Taegu, 230 kilometers southeast of Seoul, the aide said on condition of anonymity. Chong changed his mind because of the merger of president No Tae-u's Democratic Justice Party (DJP), Kim Yong-sam's Reunification Party (RDP) and Kim Chong-pil's New Democratic Republican Party (NDRP), the aide said.

Since the ruling DJP is to be dismantled and the RDP and NDRP, which called for Chong's resignation, are to form a new party with the DJP, he thinks the political restrictions on him have faded away, the aide said. He is most likely to run in the by-election as an independent.

Chong, commander of the special warfare forces at the time of the Kwangju pro-democracy protest, which was suppressed by the military at the cost of some 200 lives, refused last December to link his step-down with his alleged role in the bloodshed.

The influential general-turned-politician exchanged opinions on Tuesday and Wednesday with some supportive lawmakers in the DJP over his role in the political scene.

Riot Police Quell Labor Federation Rally

SK2301043690 Seoul THE KOREA TIMES in English 23 Jan 90 p 3

[Text] Suwon, Kyonggi-to—Workers and students yesterday launched a rally to inaugurate an umbrella body of reform-seeking labor unions on a university campus here, but the rally was aborted in 20 minutes by police.

About 600 riot police, firing tear gas, charged into the Sungkyunkwan University campus to disrupt the rally for the birth of Chonnohyop, which started at 12:40 p.m. in an auditorium of the University's Student Hall.

Before the police intervention, the inauguration rally had been going on for 20 minutes with about 400 workers and 200 students attending.

Tan Pyong-ho, chairman of Chonnohyop's preparatory committee, was picked up as inaugural president in the rally, which was originally scheduled at Seoul National University.

Police apprehended about 100 rally participants including Choe Kap-chol, 22, a geology sophomore at Seoul National University, but chairman Tan was known to have escaped the police dragnet.

About 30 students, hurling desks and chairs, violently resisted police after making their way to the university library.

Meanwhile, Chonnohyop organizers scattered about 1,000 leaflets, calling on the government to stop cracking down on the labor movement.

In Chonju, Chollapuk-to, about 300 Chonpuk National University students, throwing 200 firebombs, fought riot police following a rally to support Chonnohyop's inauguration.

Earlier in the day, police stepped up spot checks around Seoul National University and deployed riot police and plainclothesmen at most other Seoul universities to abort surprise rallies.

Around railroad stations and bus terminals, police had been deployed to send back those coming from other areas to participate in the inauguration rally.

Foreign Car Market Shifting to New Areas

SK2301082990 Seoul YONHAP in English 0758 GMT 23 Jan 90

[Text] Seoul, Jan. 23 (OANA-YONHAP)—South Korean automobiles lost ground in North American auto markets last year, but found new buyers in Europe, Southeast Asia and Central and South America, the Korea Automobile Manufacturers' Association [KAMA] said Tuesday.

U.S. sales plummeted 51.4 percent to 233,515 cars on a year-to-year basis and sales in Canada slid 29.3 percent to 23,551 automobiles, but Europeans snapped up 23,563 Korean cars, 23 percent more than in 1988, and the other regions absorbed 46,038 cars, up 46.1 percent, according to KAMA statistics.

The U.S. market took 71.5 percent of Korean exports, a 13.6 percent fall from the previous year, while European markets more than doubled their share to 7.2 percent from 3.4 percent and the other regions leaped to 14.1 percent from 5.6 percent, it said.

Korean automakers will make more strenuous sales drives in the United States, introducing new models and establishing financial firms to lend their customers the money to buy new cars, to perk up demand, said Ko Yong-chong, assistant manager of KAMA's international cooperation department.

"In the latter half of this year, when the local makers have completed pay negotiations, sales in the U.S. markets will soar because of the increased demand for completely knocked down cars and the decline in the value of the Korean won against the U.S. dollar," he said.

Exports of Korean cars grew an average 77.6 percent per annum during 1986-1988. In 1989, however, they fell 38.2 percent, KAMA statistics show.

Auto Manufacturers Urged To Double Research

SK2601024790 Seoul YONHAP in English 0220 GMT 26 Jan 90

[Text] Seoul, Jan. 26 (YONHAP)—South Korean automakers will be urged to more than double the amount they spend on research and development over the next five years to strengthen their international competitiveness, Trade and Industry Ministry sources said Friday.

The Ministry will encourage the auto industry to increase its spending on R and D from 3.1 percent of turnover last year to 7 percent by 1995 so automakers can design and build their own engines, transmissions and electronic fuel injection devices as well as such sophisticated parts as ABS [antilock braking system] and ECS [emission control system] by the middle of the decade, the sources said.

The Ministry will construct a comprehensive auto research complex near Seoul by 1995, making it easier to

achieve technological cooperation within the industry and accelerating development of new models.

To foster the parts industry, the Ministry will build several estates for parts makers by 1994 and induce related companies to increase their R and D spending from 2.4 percent of sales last year to more than 5 percent by 1994, according to the sources.

The number of research institutes attached to automobile companies will be increased from 80 last year to 300 by 1994, the sources said.

'Unfair' Import Practices Receive Complaints

SK2001100190 Seoul YONHAP in English 0716 GMT 20 Jan 90

[Text] Seoul, Jan. 20 (OANA-YONHAP)—South Korea's Finance Ministry, tiptoing gingerly through a potential trade minefield in response to complaints filed Friday by the Korea Tobacco and Ginseng Corp. with the Economic Planning Board's fair trade commission, decided Saturday to ask cigarette importers to voluntarily refrain from alleged unfair business practices.

According to the complaint, Philip Morris Korea Inc., Hando Corp. and a third company offered sales promotion gifts valued at 10 percent above the legal limit.

The ministry will seek to form a self-regulatory organization grouping 21 cigarette importers, including the three cited, to oversee sales promotions.

The ministry refrained from taking immediate tough measures against the importers of cigarettes, mostly American, fearing that the complaints, the first since barriers against foreign cigarettes were lifted in July 1988, could develop into trade friction with the United States.

Foreign cigarettes had a 2.8 percent share of the Korean market in July-December 1988 and 4.46 percent in November last year.

The state-run cigarette monopoly sees a 7 percent market share as the line of defense for Korean tobacco-growers, while foreign cigarette makers, mainly U.S. firms, say 10 percent is their goal.

The monopoly estimates the loss to Korean farmers at 18.6 billion won (27.35 million U.S. dollars) if foreign cigarettes boost their market share to 10 percent.

Foreign firms have waged extensive sales promotion campaigns, advertising in popular magazines and handing out cigarettes on the streets. A consumer group has complained about their advertisements in magazines for teens and women.

* Rising Prices Mean Gloomy 1990 Prospects

902C0055A Seoul SEOUL SINMUN in Korean 1 Nov 89 p 3

[Text] A year-end emergency arose as the inflation rate exceeded this year's target of 5 percent.

Although business seems to be gradually recovering, the economic structure will become unstable if consumer prices are unstable. Consequently, there will be a great danger that the economy might fall into a deep recession again.

Despite the substantially lower increase in consumer prices in October than in August and September, it is expected that the increase will reach up to 5 percent by the end of October, and up to 7 to 8 percent by the end of the year, which is the highest since 1982.

The price of vegetables, marine products, clothes, and food still remains unstable. In particular, the government's purchase price of new rice most likely will increase by double digits. Although the price of regular rice remains stable at the moment, if the government purchases regular rice in large quantities, the consumer price of regular rice will inevitably increase.

Although the increase in consumer prices has generally been reduced in October, the price of some of the farm and marine products, including hot pepper (26 percent), spinach (31.5 percent), oysters (15.1 percent), and salted anchovies (13.1 percent) has been continuously increasing.

Among industrial products, the price of clothing increased substantially for both ladies' wear (9.8 percent), and men's (10.2 percent). Increases in the service rate for sewing (6.2 percent) and dry cleaning (3.9 percent), and in restaurant foods such as cold noodles (2.5 percent) and rice with assorted vegetables (2.1 percent) are noticeable.

Furthermore, there is a great concern that the year-end price increase will continue into next year, creating high wages. The high wages will exert a great pressure on our economy by creating a vicious cycle of high wage-high price-low growth.

The government decided to exercise its administrative power to curb rising consumer prices.

The main points of the government's measures for stabilizing consumer prices is to control the overall demand by tightening the money supply, and to stabilize the supply and demand for farm and marine products, and livestock by increasing the supply.

Furthermore, they will exercise their administrative power in reducing the price of certain industrial products, which the government considers to have reasons for lowering the price, and in preventing price increases in private service sectors, including restaurant foods, where prices normally increase with the year-end spending atmosphere.

The price hike is not likely to be controlled, however, unless the single-digit policy, that the government announced last June, in an attempt to achieve a stable economy by stabilizing consumer prices is pursued, and some people's over-spending habit is suppressed.

The government's single-digit policy has never been practiced since its announcement, with only one exception in the case when they negotiated the wage of commercial banks' employees.

There are other examples where the single-digit policy has not been observed; the policy was not strictly enforced when they adjusted civil servants' salaries. The government itself violated the single-digit policy by adopting an unprecedented increase in the 1990 national budget by 19.7 percent; the policy was not observed in setting the government's purchase price of new crops.

There seems to be a severe limitation in the new measures that the government announced today, because most of them are the same as the traditional ones that the government has been using in the past.

The new measures for some specific items are as follows: in case of rice, the government set the purchase price of Tongil rice (highest quality rice) with a minimum increase compared to last year's; they also increased the purchasing quantity of the average-quality rice to 2 or 3 million soms [a unit of volume, one som is 5.12 U.S. bushels]; if the rice price continues to rise, however, they will freeze the price of government rice to this year's price.

However, since it is almost certain that the government's purchase price will be increased by double digits, the prospect of rice price stability seems to be dim. Furthermore, the price freeze of the government rice supply also has a problem of increasing the deficit. Thus, it is pointed out that a new problem is carried over to the next year.

As for beef, the government set the year-end goal of 4,800 won per 500 grams by increasing the supply of imported beef to be sold at a reduced price. The goal is expected to be very difficult to achieve unless a proper measure is put into effect to prevent beef retailers from deceiving consumers by selling imported beef as a domestic product, and to observe frozen price.

Furthermore, the government is trying to stabilize the price of marine products by providing consumers with 177 tons of left-over croakers imported from China, and by increasing the supply of frozen squids and hairtails. It seems, however, that a strong guideline would be the key to stabilizing the price of marine products which are monopolized by large corporations, so that they can be made available to consumers at large.

Therefore, the government should set an effective price policy, trust it, and show their determination to achieve the goal. Together with this, consumers who have continually expanding spending habits should realize that price control is the foremost factor in determining continuous and stable economic growth, and they should move forward to set up an environment where thrift, industry, and savings are the order of the day.

* Government Adopts New Economic Measures

* Background Examined

902C0071A Seoul CHUNGANG ILBO in Korean 14 Nov 89 p 5

[By Chang Song-hyo]

[Text] The government hastily announced its new economic measures five days after Deputy Prime Minister Cho Sun announced, on 9 November, the policy of promoting business.

The economic measures announced by the government are perceived to be countermeasures requiring sacrifices in the sense that reactivating the economy by slowing down the rapidly increasing economic slump must be accomplished by any means, and investments and exports must be stimulated.

This policy change on part of the government from a passive attitude to new economic measures appear to be a result of the fear that the unexpected deepening of the recent economic slump might spread becoming an economic crisis throughout society, and this might in turn produce an uncontrollable political situation.

It is known, however, that the government experienced considerable internal struggles regarding the practical measures to be taken, and there were considerable differences of opinion among the related economic offices. For instance, the controversial changes in interest rates were eliminated from the economic measures at this time, because of the possible resulting discouragement and decrease in savings. The practical issue of the exchange rate was also skipped in these economic measures, due to the government's concern about trade friction with the United States.

As for the special fund for facilities, 1 trillion won will be raised for businesses and financing, out of which a half trillion will first be allocated to small and medium-sized businesses. In particular, establishment of the committee for productivity improvement seems to reflect the government's turn toward a more aggressive policy of promotion of fundamental productivity increases, instead of wage increases, considering the recent failure of its policy of one digit wage increases, etc., which faced strong resistance from workers and farmers.

It is still a question, however, whether this measure will support business stability by counteracting the present business slump.

There is concern about possible destabilizing factors in the measure which would promote stagflation following an increase in the inflation rate.

As for lowering the interest rate, this measure is a moderate adjustment such as a rebate rate reduction or priority rate reduction. Money should, however, be released continuously to reduce the real interest rate in order to reduce the practical burden on businesses.

In addition, there is concern about a reverse effect from a combination of this policy of economic promotion and the overall optimism of society, which includes a trend toward too much consumption. In this sense, doubts like "Is this really the time for an economic promotion policy?" are understandable.

The difficulty that our economy is currently facing is that it is becoming weaker because of the desires and expectations from various classes and groups of society as the democratization process continues.

As reflected in the policy-making process in this measure, even the government itself lacks an understanding of the economic crisis and is continuously dealing with the seduction of and demand for an economic promotion policy.

The biggest task for our economy is to regain industrial competitiveness by quickly adjusting its structure. This inevitably requires a painful restructuring.

It is true that in the present economic situation we need timely economic measures. The more important point is, however, that government and business have to develop the ability to cope more appropriately with explosive labor disputes, wage increases, and an inverse proportional reduction of productivity.

* Contents Revealed

902C0071A Seoul CHUNGANG ILBO in Korean 14 Nov 89 p 5

[By Pak Tae-uk]

[Text] **Labor-Management Relations and Wage Stability**

—Establish a foundation for autonomous labor-management relations by replacing the committee on stable labor-management relations which had previously been promoted by the government with a committee on the national socioeconomy suggested by the National Federation of Labor.

—Adopt a joint bargaining system in large businesses which have a great impact on the concerned area.

—Wages for workers in state-run organizations will be adjusted within the limits of the budget next year. The same principle will apply to workers in other government-related organizations.

—Enterprises will make public the management situation and transfer excess investment in the form of land and stocks into an investment fund. Large enterprises will control their wage increases, considering small and medium-size enterprises.

Consolidation of the Improvement Efforts for Productivity

—Establish a committee on productivity improvement under the council on industrial policy. Encourage each enterprise to establish a labor-management council on productivity improvement.

—Consolidate support for enterprises showing an outstanding performance in productivity improvement. One-hundred outstanding performance enterprises will be selected in the coming year and be awarded special benefits in financing and taxes.

Price Stabilization and Real Estate Speculation Control

—Strongly control unreasonable increases in private service sector. In order to stabilize the prices of agricultural products, consolidate measures for rice price stabilization. Agricultural products which are in short supply will be supplied systematically by increasing production to maximum capacity.

Control of Over Consumption.

—Reduce the maximum bank loan available for household consumption from the present 20-30 million won range per person to the 10-20 million won range.

—Reduce the loan limits of credit cards. From 1 January 1990, special member credit limits will be 3 million won (presently 5 million won), and monthly payment limits will be reduced to 2 million won (presently 3 million won).

—The public sanitation laws will be revised to make it more difficult to open night clubs and bars. These businesses will not be given tax exemptions. Bank loans for these entertainment businesses will be strictly banned.

—An import price tag system will be applied to expensive luxury goods. If a business violates this system, it will be investigated for tax violation.

Interest Rate Decrease

—Advise the Bank of Korea to drop its rediscount interest rate (presently 8 percent) by one percentage point and to drop its prime rate for loans one percentage point from the present 11 percent to 10 percent.

—The policy interest rate like trade financing, which is directly related to the rediscount rate, will also decrease one percentage point sooner or later.

—Maintain the present interest rates for household loans, and loans for agricultural cooperatives, forestry cooperatives, and fishery cooperatives.

—Maintain the present interest rate for bank savings without any change.

—When the practical interest rate does not decrease, it should be controlled by consolidating supervision.

—In the case of high profit goods which require compulsory bonds included in operational funds such as BMF (bond monetary fund] of the second finance category, CMA (cash management accounts), mutual fund certificates, and bank mutual trusts, etc., it will be recommended to buy the bonds not in the circulation market but in the issuing market.

Stabilized Operation of the Exchange Rate

—As an initial revision of the exchange rate system, a market average exchange rate system, in which each bank autonomously decides its customer exchange rate within a certain range depending upon the market will be adopted in 1990. A liberal exchange rate system will be introduced in 1992.

Establishment of Facilities Investment Fund

—Establish a special facilities fund on a trillion won scale. This fund will be used for improvement of productivity in small and medium-sized businesses, and investment in high technology industry facilities, research and development, and export industry facilities.

—Its interest rate will be 8 percent annually. The term will be a maximum of 10 years. Half of the fund will be allocated primarily to small and medium- sized businesses.

—This will be implemented during December. Half a trillion won will be supplied in financial funds and another half trillion won will be provided by various funds. The reverse margin will be supplied by the government budget.

Financial and Tax Support for Promotion of Export and Investment

—By the end of November, the loan rate for special foreign currency loans will be increased from 80 percent to 100 percent for small and medium-sized businesses and from 60 percent to 80 percent for large businesses. The limit on imports from Japan will be increased from $500 million to $800 million for small and medium-sized businesses.

—Allow the issuing of overseas CB's (convertible bond) and BW's (bond with subscription warrant) in the case of imports of facilities for high-tech industries. Presently issuance is limited to only overseas investment and repayment of foreign debts.

—The tax reduction category is extended to facilities' imports for technology-intensive high-tech industries which have a wide impact on other industries.

—The exemption period for the temporary investment tax will be extended from investments done this year to investments done in the first half of 1990.

Kim Il-song Spring Visit to USSR Postponed

SK2501131590 Seoul CHOSON ILBO in Korean 25 Jan 90 p 1

[Text] (Correspondent Kang Chon-sok from Tokyo) It is reported that North Korean President Kim Il-song's visit to the Soviet Union, which was planned for this spring, has been abruptly postponed. HOKKAIDO SHIMBUN of Japan dated 23 January reported, citing a government source of information, that although the reason for the abrupt postponement of Kim Il-song's visit to the Soviet Union is reported to have been prompted by the unstable situation in the Soviet Union caused by such developments as the national dispute in Azerbaijan, the exact reason is not known yet.

The previous report on Kim Il-song's visit the Soviet Union was that Kim Il-song would visit the Soviet Union to ease its isolation from the international community and to request the Soviet Union for economic and military aid through the expression of his support for the perestroyka of the Soviet Union.

Kim Yong-sam Plans Visit to Moscow in March

SK2501103390 Seoul YONHAP in English 0904 GMT 25 Jan 90

[Text] Seoul, Jan. 25 (YONHAP)—Former opposition leader Kim Yong-sam said Thursday he will make an official visit to the Soviet Union in March in his capacity as a co-leader of a huge new South Korean ruling party.

Kim told reporters his trip to Moscow will be "very important" and that he will push ahead with it "under any circumstances." He said he has already informed President No Tae-u of his intentions.

No, Kim and Kim Chong-pil announced Monday that they had agreed to dissolve their parties and forge a conservative alliance, tentatively named the Democratic Liberal Party.

Kim, who has come under heated debate since joining forces with the ruling camp, said he had decided to visit Moscow because "now is the time to turn our attention from domestic issues to the world." His first visit to the Soviet Union was in June last year as head of Korea's second largest opposition party.

Soviet Container Ship To Make Call at Pusan

SK2001035490 Seoul YONHAP in English 0342 GMT 20 Jan 90

[Text] Seoul, Jan. 20 (YONHAP)—A Soviet container ship will call at Pusan, South Korea's largest port, on Sunday to load Korean merchandise for the Soviet Union, the Korean agent of the Soviet shipping company said Saturday.

The 14,345-ton Inzhener Yermoshkin, [spelling as received] belonging to the Black Sea Shipping Co.

(BLASCO), will take on 85 40-foot containers of disposable syringes, shoes and other goods for shipment to the Black Sea port of Ilychevsk, said Chungkyung Shipping Co., Blasco's Korean agent.

The Inzhener Yermoshkin will be the first Soviet container ship to visit a Korean port, though numerous Soviet freighters have made port calls since Korea and the Soviet Union agreed to allow free visits of each other's ports in 1988. Seoul and Moscow do not have diplomatic relations.

Blasco had asked for permission for its container ship to dock at Pusan late last month in order to load daily necessities being imported by the Soviet Union.

So far, shipment of containers between Korea and the Soviet Union has been monopolized by the Navix line, a Japanese-Soviet joint venture based in Japan.

Shipments to the Soviet Union are often delayed by a shortage of containers from the Far East Shipping Co. (FESCO) of the Soviet Union, shipping sources said.

Meanwhile, the opening of a regular direct line between South Korean and Soviet ports in the first half of the year is in doubt because the Korean partners of a proposed joint venture have not reached agreement on their shares in the investment, the representative right and licenses, according to the sources.

Chungkyung, Hyundai Merchant Marine Co. and Pusan Shipping Co. hope to participate in the joint venture with FESCO in a consortium.

Visa Accords Sought With East Bloc, China

SK2501020090 Seoul THE KOREA HERALD in English 25 Jan 90 p 3

[Excerpt] The government will seek to conclude visa exemption accords with Hungary, Poland and Yugoslavia this year, the Justice Ministry said yesterday.

The government, in this regard, will soon hold talks with the three countries, a ministry spokesman said.

"If visa agreements are signed, Koreans will find it easier to travel to those countries," he said.

Korea set up full diplomatic relations with the Eastern European countries last year.

Justice Minister Ho Kyong-ku said the Korean Government plans to further ease entry procedures for citizens of other socialist countries with which Seoul has yet to establish full ties.

The entry permits for people from countries with no diplomatic ties with Seoul were eased last year. Those visitors now can gain permission to visit south Korea from its diplomatic missions abroad.

Ho did not say how the entry procedures will be further simplified for citizens from the Soviet Union, China and other countries which maintain no full diplomatic relations with Seoul.

The number of visitors from Communist and socialist countries has been on the rapid rise as a result of growing business ties between south Korea and those countries.

Reporting to President No Tae-u on his ministry's new year business, Ho said the ministry will modify the present visa-issuing guidelines to keep up with the increasingly diversified activities of foreigners in the country. [passage omitted]

Shipping Agreement Signed With Romanian Carrier

SK2501083990 Seoul YONHAP in English 0819 GMT 25 Jan 90

[Text] Seoul, Jan. 25 (YONHAP)—YKL Agency Ltd. of South Korea concluded an agency agreement Tuesday with the Romanian flag carrier NAVROM Co., thus enabling sea-borne carriage of cargo between the two countries, YKL spokesman Hwang Sun-chol said Thursday.

Korean exports to Romania slumped to nine teus (twenty-foot equivalent units) last year, from 119 teus in 1988 and 45 teus in 1987. Cargo for Romania has been carried by the trans-Siberian railroad until now.

YKL signed an agency contract with Polish Ocean Line in March 1987 and with Vietnam Ocean Shipping Co. in January 1988, Wwang said. Firms in Yugoslavia, East Germany, Bulgaria and Hungary also have agency agreements with Korean shipping companies.

Security Posture With U.S. Must Remain Strong

SK2601012090 Seoul THE KOREA HERALD in English 26 Jan 90 p 8

[Editorial: "Business as Usual"]

[Text] The dramatic partisan realignment that led to the surprise merger of three political parties who plan to form a united and moderate conservative front is the talk of the street these days. Newspapers feature banner headlines on the changing political arena and on what it may hold for the future of Korean politics.

Political development, questions of democracy and freedom are all important. But politics and partisanship are not all. There are other areas and concerns demanding our unfailing attention and action. The nation should not be overwhelmed by political polemics to the neglect of business as usual in the flurry of violent political changes.

High on the agenda of our no less vital affairs of state today are continued defense preparedness and economic growth. The political community, the government and the general public ought to keep themselves interested

and occupied with this necessary daily business for the survival and growth of the nation.

Working-level officials from Seoul and Washington met in Hawaii last week to discuss the military commitment of the United States in preparation for full-dress talks between defense chiefs of the two countries when U.S. Defense Secretary Richard Cheney visits Korea in February. The sensational political developments here have almost drowned out an otherwise major news item for the local press.

The conferees agreed that the two countries could review changes in the U.S. military presence in Korea if the security situation in Northeast Asia is visibly changed and tension-reduction measures are taken to increase mutual trust between the South and the North.

It was also agreed that sharing the cost of maintaining American forces in Korea should be progressively shifted in favor of the U.S. side and a review of the operational control over the Korean Army could be undertaken. In sum, the two governments saw eye to eye on the need for keeping the U.S. military capability here at the present level for the purpose of deterrence with possible gradual reduction over the course of time.

It is natural that we can still hardly afford to relax our joint security posture, flattered and emboldened by the mood of detente and rapprochement between former adversaries and rivals abroad—in the absence of any proof that North Korea is giving up its revolutionary hard-line.

Without getting overly agitated and off guard, the nation must remain as alert and prepared as ever to follow the normal routine of strong defense and efficient state administration.

Machinery 'Buying Mission' to U.S. Planned

SK2501103590 Seoul YONHAP in English 0907 GMT 25 Jan 90

[Text] Seoul, Jan. 25 (YONHAP)—A South Korean buying mission will visit the United States Jan. 28-Feb. 15 to buy 300 million dollars worth of U.S. machinery products, a trade-industry source said Thursday.

The mission, composed of 31 businessmen from 19 firms here, will be co-headed by Yi Kyong-hun, president of Daewoo Heavy Industries and Son Kyu-sik, president of Haein Corp.

The mission will tour cities in five states including Wisconsin, Indiana, Michigan, Ohio and Texas to buy parts for automobile and aircraft, machine tools and other machinery products.

The Korean businessmen will also meet U.S. Government officials and leading congressmen to discuss bilateral trade.

Japan Supports North, South Entry to UN

SK2501025490 Seoul THE KOREA TIMES in English 25 Jan 90 p 2

[Meeting the Envoys: "Japan Supports Proposal for Korean Commonwealth"]

[Text] Japan wishes to improve relations with North Korea taking into account the international situation prevailing in the Korean peninsula but no positive response has yet to be received.

Amb. Shinich Yanai would not elaborate on Japan's bid to have close contacts with North Koreans in an interview with THE KOREA TIMES and just said, "We have made it clear to the North that Japan is ready to discuss any issues without precondition.

"We hope that our willingness to enter into a meaningful dialogue will be responded to in the same manner."

A major tumbling stone is the return of Japanese sailors who are in custody in Pyongyang in connection with the defection by a North Korean non-commissioned officer aboard their boat.

Pyongyang calls for the sending back of S.Sgt. Min Hong-ku in return for the sailors' freedom, making little progress in talks with the Japanese, despite its on-and-off contacts with Washington diplomats in Beijing and the Japanese prime minister's expression of "remorse" for colonial rule of the past.

This year marks the 25th anniversary of the normalization of diplomatic relations between Korea and Japan following 35 years of colonization and a vacuum of official ties for two decades.

He said that South Korea is fully qualified for the UN membership and that he hopes the day will come soon when the Republic of Korea joins the world body.

He, however, instantly added that Japan has supported on many occasions simultaneous access of South and North Korea to the United Nations in the hope that it will help insure peace and stability on the Korean Peninsula.

Yanai described South Korea's reunification formula as a "well elaborated plan" in the sense that procedural and interim aspects leading to the reunification of the country are "fully" explored including the establishment of a 'Korean commonwealth.' "I have no doubt that this formula will serve as an important basis in the course of inter-Korean talks."

At this juncture, he estimated the "bold and imaginative" diplomatic initiative of "Nordpolitik," a Korean version of West Germany's Ostpolitik in the early 1970s, as a "great success beyond anybody's prediction."

"It is amazing to see that, only one year and a half after President No Tae-u's so-called July 7, 1988 declaration, Korea was able to establish diplomatic and consular relations with the countries in the East bloc. A new international horizon was opened to Korea," he said.

"We would sincerely congratulate on the success of Korean foreign policy which will go a long way toward the stabilization of the Korean Peninsula," he went on.

"What Japan can do is to create a climate conducive to inter-Korean dialogue," he barely noted, adding that Japan has supported Korea's strenuous efforts to engage in fruitful dialogue with North Korea from this viewpoint.

He personally hoped that the Asian Games to be held in Beijing coming September will serve as a turning point in inter-Korean talks though he said it is too early to predict the progress of the dialogue in general this year.

He suggested that inter-German developments would have little influence on the Korean Peninsula because of several reasons which he cited as follows:

—Germans never had a fratricidal war, nor did they harbor distrust and hatred of each other.
—Cases of terrorism against the head of state or against innocent civilians as seen here never took place in East-West German relations. Germany.
—Communist regime in East Germany never advocated "emacipation" of West Germany.
—What is important is the fact that both Germanys recognized each other as a separate entity.
—Furthermore, there were certain exchanges of people between the two Germanys, and people under the Communist regime in the East were able to get access to information circulating in the Western world.

"German cases, therefore, are not in itself applicable to Korean cases in the short term. Nevertheless, as I mentioned earlier, what happened in Germany and also in Romania will prove inescapable in the long run although the exact process leading to (North Korea's) changes is still premature to predict," he said.

Burma

Rebels Retreat as Government Troops Advance

8,000 Flee to Thailand

BK2301023590 Bangkok BANGKOK POST in English 23 Jan 90 p 3

[Text] Tak—About 8,000 Thai and Karen timber workers and residents have crossed into Phop Phra District in the past three days, fleeing what they fear to be an imminent Burmese army attack on a rebel camp.

Border Patrol Police sources said yesterday 5,000 Thai and Karen timber workers had crossed into Phop Phra, in the northwest, bringing with them heavy machinery and equipment.

The workers were employed by about 50 sawmills operating inside Burma in an area opposite the Karen camps of Thay Bawbo and Valey. Thay Bawbo is located opposite Ban Mun Luchai in Phop Phra District, while Valey, about 15 km away, is located opposite Ban Valey in the same district.

In addition to electrical saws and pickups, 20 to 30 elephants have also been moved out of the area, sources said.

Apart from working for mobile sawmills operated by Karen rebels, some work for six large, permanent mills inside Burma.

Two firms which have been granted logging concessions inside Burma, Cera International Trading and Muang Pana, have also moved their workers out of the area, the sources said.

A considerable amount of processed wood was also moved through Thay Bawbo and Valey.

Many Burmese students who have joined Karen rebels fighting the Rangoon government are based at Thay Bawbo.

The timber workers have been joined by 3,000 Karens seeking refuge in anticipation of a Burmese attack.

They were living alone or with relatives in seven villages in the district.

Karen commander Col Mu Tu said Burmese frontline troops were located six kilometres from Thay Bawbo.

He said Karen, Burmese students and soldiers of the Democratic Alliance of Burma have formed small units to harass the troops from behind their lines.

Col Mu Tu said there were about 700 Burmese troops at the frontline and another 900 deeper inside Burma.

Rebels Leave 221 Homeless

BK2501145190 Rangoon Domestic Service in Burmese 1330 GMT 25 Jan 90

[Excerpt] KNU [Karen National Union] insurgents have been disrupting local peace and tranquillity and carrying out activities which cause trouble for people and sometimes killing and maiming.

In a similar manner, about 50 KNU insurgents attacked and set fire to Ngapyawtaw Village, about four miles east of Kyaikto, around 0100 on 22 January. The attack burned down a primary school, a cooperatives shop, village dispensary, and 47 houses. Documents were also destroyed in the fire.

At about 0330, the KNU insurgents burned and destroyed two trucks belonging to a timber contractor at Piti Village before departing. The losses incurred totaled about 444,050 kyat, and 221 innocent villagers were left homeless because of the fires. [passage omitted]

Army Attacks KNU Stronghold

BK2501151590 Hong Kong AFP in English 1500 GMT 25 Jan 90

[Excerpt] Bangkok, Jan 25 (AFP)—Some 4,000 ethnic Karen refugees fled across the Burmese border into northwestern Thailand to escape an attack by Rangoon government troops on a Karen rebel stronghold, state-run television said.

Karen National Union (KNU) rebels retreated in the face of an attack by some 2,000 Burmese troops on their stronghold of Thay Bawbo near the border, the television said.

Some 4,000 Karens poured across the border into Thailand's Tak Province, some 500 kilometers (310 miles) northwest of Bangkok, as KNU rebels torched the camp to prevent the Burmese troops from occupying it and using it as a base.

Thai border police in Tak Province, reached by telephone from here, said that KNU rebels had been defeated by Rangoon troops at Thay Bawbo in heavy fighting that started Monday [22 January] but refused to go into detail.

The television said the fighting had forced Thai schools near the border to close indefinitely and that local authorities had alerted villagers to prepare for evacuation if the fighting spread into Thai territory. [passage omitted]

Rebels Burn Sawmills

BK2601021590 Bangkok BANGKOK POST in English 26 Jan 90 p 7

[Text] Tak—Retreating Karen rebels burned down sawmills and other structures at its Mawkier camp as Burmese troops advanced towards the border stronghold opposite Phop Phra district here yesterday.

The Karen National Union [KNU] force at the camp destroyed the sawmills and other buildings to prevent the Burmese from using them, said Major Maw To, who commanded a combined force of Democratic Alliance of Burma members, armed Burmese dissident students and KNU rebels.

The anti-Rangoon combined force began raids on 500 Burmese troops at Mae Kala camp which they had captured from the KNU's 17th battalion on Wednesday.

The Burmese students at the camp fled across the Moei River into Mawkier Thai camp in Phop Phra.

In two hit-and-run attacks, the KNU major claimed, 33 Burmese troops, including a captain, were killed while only three rebels were wounded.

Thai border police sources said 500 to 700 Burmese troops have withdrawn from Mae Kala camp to areas close to Thay Bawbo camp, opposite Mun Luchai village in Phop Phra, five to six km to the north.

About 1,000 to 1,200 government troops poised around Thay Bawbo camp to attack Karen guerrillas, sources said.

Meanwhile, a number of shells from across the border landed in Mawkier Thai, Mun Luchai, Wali and Mae Okhu villages here and schools were closed for safety reasons yesterday.

There were no reports of casualities or damage on the Thai side.

ABSDF Denies Links With Aung San Suu Kyi

BK2501144790 Hong Kong AFP in English 1432 GMT 25 Jan 90

[Excerpt] Bangkok, Jan 25 (AFP)—A militant pro-democracy Burmese student union Thursday [25 January] denied any links with popular opposition leader Aung San Suu Kyi, who has been banned from running in Burma's upcoming general elections.

The state Election Commission earlier this month revoked the candidacy of Aung San Suu Kyi, who has been under house arrest in Rangoon since July, on grounds that she had "unlawful associations with insurgent groups." Her party, the National League for Democracy, has appealed on her behalf, but the commission's final decision has not been made public.

"It is now clear that the military regime has no intention of settling the current political problems in Burma peacefully through free and fair elections," the All Burma Students Democratic Front (ABSDF) said in a statement released here.

The statement denied that the ABSDF and the 44-year-old daughter of Burmese independence hero General Aung San had "the same strategies or close contact." But the militant student union still supported her as a pro-democracy leader, the statement said.

The statement called on the international community to condemn Burma's military government, which seized power in September 1988 to crush widespread pro-democracy demonstrations. [passage omitted]

Magway-Based URDD Party Registration Annulled

BK2501145990 Rangoon Domestic Service in Burmese 1330 GMT 25 Jan 90

[Text] The Commission for Holding Multiparty Democratic General Elections of the Union of Myanma [Burma] issued Announcement No 369, dated 25 January 1990—the 15th day of the waning moon of Pyatho, 1351 Myanma Era. The announcement reads:

Subject: Annulment of Registration of the Union for Revival and Development of Democracy, URDD, as a political party.

1. The Commission for Holding Multiparty Democratic General Elections of the Union of Myanma announced that the URDD, which has its headquarters at the residence of U Lan Aung at Si-pin-thaya Ward, No 2 Region, Yesagyo, Magway Division, was permitted registration as a political party by the commission in accordance with Article 5A of the Political Parties Registration Law on 28 February 1989. This was stated in Announcement No 231 issued on that day.

2. However, since the commission is now in receipt of a request seeking an annulment of that party's registration, it hereby announces the annulment of the registration of the URDD effective 25 January 1990.

By the authority vested in me.
Signed: Aye Maung, secretary

Agriculture Minister Returns From Malaysia

BK2501144490 Rangoon Domestic Service in Burmese 1330 GMT 25 Jan 90

[Excerpt] A Myanma [Burmese] delegation headed by Major General Chit Swe, minister for agriculture and forests and for livestock breeding and fisheries who visited Malaysia at the invitation of Datuk Sri Dr Lim Keng Yaik, minister for primary industries of Malaysia, arrived back in Yangon [Rangoon] by air this afternoon via Bangkok.

The delegation was greeted at the airport by Rear Admiral Maung Maung Khin, minister for energy and mines; Colonel Abel, minister for planning and finance and for trade; Colonel [as heard] Pe Thein, minister for health and education and senior military officers; Mr Thongchan Chotikasathian, ambassador from Thailand; Mr Sallehuddin Bin Abdullah, ambassador from Malaysia; Mr (Lim Beck Him), charge d'affaires from Singapore; departmental and responsible officials from the Ministry of Livestock Breeding and Fisheries and the Ministry for Agriculture and Forests. [passage omitted]

Brunei, Malaysia & Singapore

Malaysia

UK, Malaysian Ministers Discuss Repatriation

BK2301150190 Kuala Lumpur Domestic Service in Malay 1430 GMT 23 Jan 90

[Text] Malaysia will study an agreement between the British and Vietnamese Governments on the repatriation of Vietnamese refugees from Hong Kong in order to help this country to settle a similar problem. Deputy Foreign Minister Datuk Dr Abdullah Fadzil Che Wan said that the Ministry of Foreign Affairs would study points of the agreement to ascertain its suitability for Malaysia. He said as many as 874 of the 57,000 Vietnamese refugees in Hong Kong have been repatriated under the agreement signed in the middle of last year. Datuk Dr Abdullah added that initiatives and steps taken by other countries on the matter would also be studied.

He was speaking to newsmen following a call by Lord Brabazon, British minister of state for foreign and Commonwealth affairs, at his office at Wisma Putera. Datuk Dr Abdullah Fadzil said that he and Lord Brabazon had held talks on the repatriation of Vietnamese refugees. He said that Malaysia would adopt suitable points of the agreement by the British, Hong Kong, and Vietnamese Governments to conduct a peaceful repatriation.

According to him, Datuk Ahmad Kamil Jaafar, secretary general of the Ministry of Foreign Affairs, will lead a Malaysian delegation for talks early next month with the Vietnamese Government on the repatriation of Vietnamese refugees. Datuk Dr Abdullah Fadzil said that as many as 33 illegal Vietnamese immigrants have returned home voluntarily. There are now some 12,000 illegal Vietnamese immigrants in the country.

Commentary Highlights SRV Refugee Problem

BK2501093890 Kuala Lumpur International Service in English 0800 GMT 25 Jan 90

[Station commentary]

[Text] Malaysia will begin next month talks with Vietnam over the repatriation of refugees. Therefore, given the complex nature of the existing problem, Malaysia is cautious in handling the issue. This is why it is watching closely developments in Hong Kong, which repatriated 51 boat people last month. This means the British stand on the matter needs to be studied carefully. Among other things, the action Britain takes will somewhat reflect the attitude of Vietnam toward the serious and long-standing problem. Hong Kong's and Britain's decision to send back the Vietnamese led to international criticism against them. Understandably, there is sympathy for the boat people as they fear repercussions when back home. But at the same time, while emotions run high, there is increasing burden on countries such as Malaysia which provide temporary asylum. Every day, the number of refugees is increasing steadily, and these countries cannot afford to continue absorbing the influx of boat people. Malaysia provides first asylum to more than 20,000 Vietnamese boat people. As such, it understands Hong Kong's problem.

At the upcoming meeting, it is expected Malaysia will impress upon Hanoi that a solution lies with Vietnam. The refugee problem will not end unless something is done by Vietnam and in Vietnam. The country has to change its stand and be more [words indistinct] accept responsibility for its refugees rather than just pay lip service. Malaysia is committed to the fact that whatever solution is agreed upon, it has to be based on the Comprehensive Plan of Action (CPA). The CPA—endorsed by more than 48 nations, including Malaysia, in Geneva last June—calls for genuine refugees to continue to be given first asylum and resettled. So far, very little headway has been made.

Since the Vietnam war ended in 1975, more than half a million people have fled their homeland. This is a clear indication of the kind of life the population there experiences. And yet the Hanoi government seems not to care over the massive outflow of its people. Vietnam must awake to the fact that its domestic problem is grave. The people who are fleeing come from all walks of life. They include entrepreneurs, farmers, professionals, and wage earners. These people are a vital foundation of a nation's economy. The crumbling of communism in Eastern Europe should serve as a lesson to all. It shows that people cannot permanently be expected to be hooked on ideology, but a better way of life is what they want.

For this to happen, economic growth is the key. For its national reconstruction, all of the human resources in Vietnam need to be mobilized. The people cannot simply be allowed to desert their homeland. Vietnam must treat its people right. It must give them incentives to work hard for the country. Ultimately, the people should come to feel that they have a stake in their own country. Malaysia strongly feels that a comprehensive solution can be achieved if a major role is played by Vietnam itself. Vietnam must realize that the world does not owe its people a living.

Permanent UN Members' Initiatives Viewed

BK2601091290 Kuala Lumpur International Service in English 0800 GMT 26 Jan 90

[Station commentary]

[Text] Malaysia supports the initiatives taken by the five permanent members of the United Nations Security Council to end the war in Cambodia. They have agreed that a major interim presence by the United Nations is needed to help settle the 11-year-old conflict. The key members of the group are China, the Soviet Union, the United States, Britain, and France. With this, a significant step forward will be achieved if the warring factions agree to place Cambodia under UN administration.

Under the plan, administrators from the world body will take over executive powers from the Vietnamese-installed government. Then on, the United Nations will see to it that elections are conducted in a neutral political environment. Ultimately, what is resulting is that the long-suffering Cambodian people need to be given the opportunity to decide their own future. It is critical to note that these people include generations who have never known peace or stability.

To facilitate all this, there have to be continuous discussions on the UN resolution which very much now stands only as a proposal. Therefore, it does not state its weight. Indonesia is commended for undertaking further efforts to help in this matter. Indonesia first indicated its willingness to hold the third Jakarta informal meeting [JIM]. While Malaysia fully supports the holding of another JIM, however, it also wants the warring factions in Cambodia to contribute positively and effectively in finding a genuine (?solution). This is because the meeting will be meaningless if the affected parties refuse to compromise to narrow down their differences. There must be a commitment by all to compromise. Without this, a comprehensive solution can never be found for this war-ravaged state.

To date, however, very little progress has been made toward a solution. The major obstacle is the fact that the factions cannot be [words indistinct] self-interests. With the withdrawal of the Vietnamese troops, war seems to be escalating again. The hated Khmer Rouge, who massacred more than a million people during their 4-year rule, have become more bold. This is indeed a very serious development. Shortly, it is reported they are making rapid military gains against the other factions. Against this background, whatever talks are held on Cambodia, something concrete has to come out. There has to be action.

The United Nations and other parties have to put their foot down in ensuring that the interests of the Cambodian people prevail over factional interests. But the irony is that none of these groups have ever been truly elected by the people. Therefore, there has to be a sense of urgency among all parties to act quickly. A comprehensive and effective solution has to be found. Time is precious, and any delay will only prolong the agony of the Cambodian people.

Mahathir on Maintaining Internal Security Act

BK2501035490 Kuala Lumpur BERNAMA in English 0314 GMT 25 Jan 90

[Text] Kuala Lumpur, Jan 25 (OANA/BERNAMA)—Malaysian Prime Minister Dr Mahathir Mohamed said the government will keep the Internal Security Act (ISA) to check the spread of racial and religious issues that could be detrimental to public security. He said the government would continue to enforce the ISA and other related laws for as long as racial and religious issues and other elements could pose potential threats to the security of the people and the nation.

Speaking at a dinner here Thursday night [as received], he said it was vital to ensure that the nation was capable of facing challenges without being unduly exposed to threats. He also said unity among Malaysians should be further consolidated and as long as this had not been achieved, unity would continue to be the government's major consideration in the formulation of its policies so that its approach in all aspects including politics, economy, culture, language, education, religion, sports and security would contribute towards this objective. Mahathir said that to build a united nation the people should share a common vision.

Cambodia

Heng Samrin Sends Greetings to Indian President

BK2601061090 Phnom Penh Domestic Service in Cambodian 2300 GMT 25 Jan 90

[Text] On the occasion of the 40th anniversary of the Republic of India's declaration, Comrade Heng Samrin, chairman of the State of Cambodia's Council of State, has sent a greetings message to His Excellency Venkataraman, president of the Republic of India. The message said:

We highly appraise the great victories scored by the Indian Government and people in the past 40 years in defending and preserving their national independence, sovereignty, and territorial integrity and in building and making their country prosperous and making it progress.

As the valiant combatants for human rights, freedom, independence, and peace, the government and heroic people of India have actively contributed to the struggle to safeguard peace and social progress for mankind.

We would like to express our deepest gratitude to the Indian Government and people for giving support, morally and materially, to the cause of the Cambodian people's just struggle to defend and build our beautiful land of Angkor.

We would like to express sincere thanks to the friendly Indian Government and people for their assistance and justice given the Cambodian people in their struggle for revival, rights to self-determination and legitimacy, independence, sovereignty, and territorial integrity, and particularly in preventing the return of the genocidal regime.

May the bond of friendship and cooperation between our two governments and peoples further develop.

May your excellency enjoy good health and the friendly Indian people enjoy happiness and prosperity forever.

Hun Sen Sends Message to Indian Prime Minister

BK2601060690 Phnom Penh Domestic Service in Cambodian 2300 GMT 25 Jan 90

[Text] On the occasion of the 40th anniversary of the Republic of India's declaration, Comrade Hun Sen, chairman of the State of Cambodia's Council of Ministers, has sent a greetings message to His Excellency Vishwanarth Pratap Singh, prime minister of the Republic of India. The message noted:

I sincerely salute and highly appraise the Republic of India's foreign policy of peace which has greatly contributed to peace in the region and throughout the world.

The international role and prestige of the Republic of India has been enhanced with each passing day. The Cambodian Government and people highly value the brilliant success made by the Indian Government and people in their socioeconomic development.

I am convinced that under your leadership, the government of the Republic of India will surmount all obstacles and win more and greater victories in the efforts to bring about social progress and prosperity.

May the long-standing bond of solidarity, friendship, and cooperation between Cambodia and India further develop for the interests of our two nations.

May your excellency enjoy good health, happiness, and success in your noble tasks.

National Assembly 18th Session Opens 26 Jan

BK2601055190 Phnom Penh Domestic Service in Cambodian 0430 GMT 26 Jan 90

[Text] On the morning of 26 January at the National Assembly's auditorium, the National Assembly of the State of Cambodia held its 18th session, first legislature, with participation of members from the 20 constituencies throughout the country.

Present in the presidium were Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly; Comrade Mat Ly, member of the party Central Committee Political Bureau and vice chairman of the National Assembly; Comrade Nu Beng, vice chairman of the National Assembly and chairman of the National Assembly's Cultural and Social Affairs Commission; Comrade Men Chhan, National Assembly member from Kompong Cham Constituency and chairman of the National Assembly's Economic, Planning, and Budgetary Commission; and Comrade Chem Snguon, National Assembly member from Svay Rieng Constituency and vice chairman the National Assembly's Legislative Commission.

Attending the session as guests of honor were the comrade ambassadors, charges d'affaires, advisers, and representatives from embassies of various friendly countries in Cambodia; former Cambodian personages and overseas Cambodians visiting Cambodia; cadres representing various central ministries, offices, and units; and many national and international journalists and television crews.

In his opening speech, Comrade Chea Sim noted that the 18th session, 1st legislature, of our State of Cambodia's National Assembly proceeded in a joyous atmosphere permeated with firm national unity and at a time when our entire party, Armed Forces, and people have just celebrated the 11th anniversary of the glorious 7 January national day and are welcoming the brilliant outcome of the 10th session of the party Central Committee.

After citing various new events and national and international developments related to the solution to the Cambodian problem, Comrade Chairman Chea Sim said that the National Assembly of the State of Cambodia regarded the elimination of the possibilities of the reoccurrence of the genocidal regime in Cambodia as an indispensable factor for seeking a comprehensive political solution to the Cambodian problem and an effective guarantee for the Cambodian people's long-lasting peace in the future.

Also on the morning of 26 January, all National Assembly members listened attentively to the report on the National Assembly's activities; the report on activities of the Council of State; and explanations of the four commissions of the National Assembly.

Chea Sim Gives Keynote Speech

BK2601120890 Phnom Penh SPK in English 1109 GMT 26 Jan 90

[Text] Phnom Penh January 26—The National Assembly [NA] of the State of Cambodia opened its 18th session here today morning with N.A. Chairman Chea Sim in the chair.

Present, were among others, Heng Samrin, general secretary of the People's Revolutionary Party Central Committee and president of the Cambodian State Council and Hun Sen, Politburo member of the party Central Committee, chairman of the Council of Ministers and foreign minister. Members of diplomatic corps to Cambodia were also on hand.

In his keynote speech, Chairman Chea Sim notably said:

"Since the holding of the 17th session of our first National Assembly, all deputies have proved the accuracy of a high sense of responsibility for assembling all forces and masses around the party in the fight against the enemy. Our forces and people have accomplished all tasks during the last rainy season and the first stage of this current dry season thus creating propitious conditions for all-sided development in the society, particularly in political and military domains."

Chairman Chea Sim further said: "Today, the 18th session of our National Assembly begins its work at a

time when the enemies are launching large-scale military activities during this dry season. Contrary to the bellicose moves of the enemies whose objective is nothing but to flow the blood of the innocent Cambodian people and destroy the society, our National Assembly deemed that it was its duty to consider all the requirements and aspirations of the Cambodian people, to find out all effective measures to better the administration, the society and all the economic domains of every aspect for 1990 so as to ameliorate the living conditions of our people.

"At the same time, our National Assembly will weigh the pros and cons of the alternative of a political solution to the Cambodian problem. With this end in view, the State of Cambodia's Government has proposed to put in the hands of the United Nations a role of interim authority in Cambodia to supervise the implementation of all international agreements on the Cambodian problem and to organize free and fair elections. The empowerment of the right to organize the general elections in Cambodia to the United Nations would be approved by the National Assembly by virtue of the Article 60 of our Constitution on the mood [as received] of elections elaborated by the State Council; this would address a great importance for peace and national reconciliation that our National Assembly would also examine during this current session.

"All these will also conform to our good will to put an end to the conflict by peaceful means."

Men Sam-an Closes Party Building Meeting

BK2601024390 Phnom Penh Domestic Service in Cambodian 1300 GMT 25 Jan 90

[Summary] "A ceremony was held on the afternoon of 24 January at the Central Political School under the chairmanship of Comrade Mrs Men Sam-an, member of the party Central Committee Political Bureau and chairman of the Central Organization Commission, to close the 10th nationwide meeting on party organization and buildup.

"During the 3-day session, the meeting participants listened attentively to the report summing up the outcome of the 1989 party organization and building work and setting the 1990 work targets, which was read by Comrade Mrs Men Sam-an."

The report stressed the work to expand the party and to build and strengthen localities, which has greatly contributed to national defense and construction in the new phase.

The participants also listened to a report on the local building plan and to the Central Organization Commission's directive on organizational and cadres work.

Bou Thang Attends Social Affairs Meeting

BK2601053090 Phnom Penh Domestic Service in Cambodian 2300 GMT 24 Jan 90

[Summary From Poor Reception] Comrade General Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and chief of the General Political Department of the Cambodian People's Armed Forces, on the morning of 24 January met with cadres attending the meeting held to sum up the work of the Ministry of Social Affairs and Invalids in 1989. He praised all concerned for the successes achieved in 1989, especially the success in implementing the rearguard policy.

The comrade vice chairman of the Council of Ministers also urged meeting participants to learn from the experiences gained in the past year and highlighted at the meeting in order to bring greater success to the implementation of the rear policy.

Ranariddh Rebukes ANS Critics; Requests Aid

BK2601015590 Bangkok BANGKOK POST in English 26 Jan 90 p 7

[Excerpts] Prince Norodom Ranariddh yesterday blasted criticism of the Sihanoukian National Army (ANS) and called on the West to extend military aid to his forces to save them from falling into the arms of the Khmer Rouge.

The ANS commander-in-chief questioned the criteria the international press used in giving what he sarcastically called "Oscars for the Best Army," asking if credibility depended on the number of people killed on the battlefield.

He countered criticism of his army's performance by giving a detailed, but not independently verified, account of its achievements over the past year.

"It would be illogical and even dangerous for those Westerners, friends and observers who have criticised the ANS on the one hand for its 'poor performance' and on the other for 'its cooperation with the Khmer Rouge' to open thus the door to the Khmer Rouge to return to power," Ranariddh said.

"For the time being, unfortunately, only the People's Republic of China has regularly given assistance to us in our national liberation struggle," he said.

"To push us to undertake a conventional attack and to continue to refuse to support us effectively with military needs, those Westerners and foreign friends are doing nothing but indirectly pushing us into the Chinese open arms and, who knows, into those of the Khmer Rouge," he added.

The ANS, he claimed, had carved out a "liberated zone which is at least as large" as those of its partners in the resistance coalition, the Khmer Rouge and the Khmer People's National Liberation Front (KPNLF).

The ANS killed 8,867 "enemies" in a total of 1,711 military operations last year when it "captured or welcomed" 1,537 prisoners or defectors, suffering in the process losses in dead and wounded of 1,201 combatants, he added.

The ANS also had done "at least as well as its other partners in the coalition in terms of booty," he said, listing the seizures of two Soviet-made T-54 tanks, 174 heavy machine guns, 90 rocket-launchers, 44 mortars and 22 machines [as published].

Seven other tanks, several armoured personnel carriers, high-speed warships, boats and trucks were "destroyed" and 49 "strategic bridges" were "put out of use," he said. [passage omitted]

He said the time was not yet ripe for the ANS to launch "frontal and conventional" attacks on "the enemies in their last entrenched fortresses: the capital city and provincial towns."

1,000 SRV Troops Said Hidden Near Angkor Wat

BK2601014290 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 25 Jan 90

[Text] The intelligence unit of our national resistance forces together with our people living in areas around Angkor Wat Temple have just found the hide-outs of 1,000 troops of the Vietnamese enemy aggressors in the jungle around the Angkor Wat Temple.

1. Some of them are hidden in the area along the road from Angkor Toch to the airfield.
2. Some of them are hidden in the vicinity of the bridge behind the Angkor Wat Temple.
3. Some others are hidden in the area along the narrow road leading southward from the Angkor Wat Temple.

This report has laid bare the deceitful propaganda of the Hanoi Vietnamese aggressors in announcing that they have withdrawn all their aggressor forces from Cambodia at the end of September 1989.

The Cambodian people living in the areas around the Angkor temples in Siem Reap Province and all Cambodian people inside and outside the country vehemently announce before the world that Vietnam has not withdrawn all its aggressor troops from Cambodia as the Hanoi Vietnamese enemies have claimed. Vietnam has continued to hide its aggressor forces of all categories in several places in Cambodia for use, currently, in controlling and commanding the puppet soldiers and, together with the Heng Samrin-Hun Sen puppet soldiers, in carrying on a war of aggression and occupation of Cambodia. In the future, these hidden Vietnamese forces of all categories will be used in carrying on the Vietnamization plan to totally annex Cambodia as a part of Vietnamese territory in the Indochinese Federation.

For this reason, the Cambodian people would like to call world attention to this dangerous act by Vietnam—hiding a large number of Vietnamese aggressor forces in various districts, villages, and mountainous and forested areas in Cambodia for use in permanently controlling and occupying Cambodia.

Indonesia

Alatas Interviewed on Cambodia Initiative

BK2301121090 Jakarta TEMPO in Indonesian 20 Jan 90 pp 25-26

["Excerpts" of interview with Indonesian Foreign Minister Ali Alatas by TEMPO correspondent Yuli Ismartono at Bangkok's Don Muang Airport on 14 January]

[Text] [Ismartono] Recently you met with Australian Deputy Foreign Minister Michael Costello and representatives of the Cambodian coalition government. What are their views on the latest development in the efforts to solve the Cambodian problem, especially on the Australian proposal, which calls for the establishment of an interim UN administration in Cambodia?

[Alatas] I have held talks with Michael Costello twice since he held his second-round talks with Hun Sen and Nguyen Co Thach and held his first-round talks with Khieu Samphan. Michael Costello has therefore briefed me on the latest outcome of his talks with these people.

At the moment, no single group, including the Khieu Samphan group, has explicitly rejected the Australian proposal as the basis of discussion. However, it is obvious that each faction still cannot agree on the details of the proposal.

At the moment, I am still unable to give the details of the stand adopted by each faction. This is because, primarily, if I make them known in public, they will affect the ongoing initiative. Besides, from here I still have to go to Ho Chi Minh City to meet Nguyen Co Thach and Hun Sen, who are waiting to hold direct talks with me. In the coming meeting, I expect to get a direct response from them, not just through Costello, which will enable me to gain a clearer view of the matter.

I will also ask the two men, as I have asked the three Cambodian factions in Bangkok, whether they are interested in reviving the process of negotiations through an informal meeting in Jakarta by using the Australian proposal as the basis of discussion.

If all the would-be participants, including France—which I will approach after I return to Jakarta—and ASEAN countries, agree to an informal meeting in Jakarta, the meeting is expected to be held around the end of February. The meeting will be attended by the four Cambodian factions, Vietnam, Laos, ASEAN, and France as co-chairman [of the Paris conference].

[Ismartono] What do you think of tomorrow's UN Security Council meeting?

[Alatas] It is not the UN Security Council's meeting, but a meeting by representatives of the five permanent members of the UN Security Council at the level of deputy foreign minister. It is not the first time for them to hold such a meeting. They meet regularly in New York.

We welcome such a meeting, because they will for the first time discuss and exchange views on the Australian proposal. This is important, because if the proposal is accepted it will eventually need to be approved by the United Nations, especially by the Security Council.

[Ismartono] There is a lot of news on the Cambodian guerrillas' victories, for example their recent offensive on Battambang. Will Phnom Penh change its stand in accordance with the situation on the battlefields?

[Alatas] Indonesia has always monitored the situation on the battlefields; but to be honest, it is difficult to confirm what is really happening. Our guess at the last Paris conference—namely, that the battles would intensify fiercely in Cambodia—has become reality. At that time we also believed that the conflict would remain unsolved and no definite solution would be found. That seems to be the case now.

[Ismartono] You mean that all these efforts did not lead to a solution of the problem?

[Alatas] The situation on the battlefields definitely affects all factions. All of them will draw their own conclusion. I do not want to make a conclusion on how the battles are going now and who is winning, because we do not have complete information on them.

Our hope is that after the last 5 months of war, all Cambodian factions will be more than ready to return to the negotiating table. At the end of the Paris conference, they seemed unwilling to make any compromise. To return to the negotiating table means to be ready to give concessions to each other, which will lead to a compromised settlement of the problem.

[Ismartono] To what extent are you sure they will return to the negotiating table?

[Alatas] Based on what I have heard from Costello and my talks with some of the Cambodian factions, I am a little more optimistic that they will return to the negotiating table. There is also hope that the Australian proposal will be one of the topics of discussion at the informal meeting.

However, do not forget that I have not yet met all the concerned parties. Therefore, I cannot give confirmation on anything at this time.

Alatas Wants North-South Dialogue Reactivated

BK2501113590 Jakarta ANTARA in English 0709 GMT 25 Jan 90

[Text] Jakarta, Jan 25 (OANA-ANTARA)—Indonesia definitely considers a reactivated North-South dialogue still relevant and effective in the world's present economic setting, Foreign Minister Ali Alatas said.

In today's rapidly changing global economic setting, it is often questioned whether a reactivated North-South dialogue would still be relevant and be the most effective way to deal with the prevailing challenges and opportunities.

"For the nonaligned and other developing countries, including Indonesia, the answer is a definite yes," Alatas said at a luncheon of the Indonesian Executive Circle [IEC] here Thursday [25 January].

The IEC, a communication forum, groups high-ranking government officials, diplomats, top business executives, and senior journalists. The question, Alatas said, is also posed as to what relevance the dialogue has for Indonesia and ASEAN, and what the region's stake is in the global North-South negotiations.

"The short answer is that Indonesia/ASEAN do not only have a paramount stake in them, but we also have a crucial role to play, both in the dialogue itself and in the revitalization of the world economy as a whole," he said.

The region's direct interest is found in at least four areas central to the dialogue, namely primary commodities, international trade, transfer of technology, and money and finance, with a fifth area, energy, being of particular concern to Indonesia, Alatas said. An early opportunity to restart the process of the North-South dialogue would be the special session of the United Nations General Assembly to be convened in New York from April 23 to 27, Alatas suggested.

"I can assure you that Indonesia will actively participate in that session," he said.

The special session will be devoted to international economic cooperation, in particular to the revitalization of the economic growth and development of the developing countries.

Indonesia has always been vocal and firm in its support of a new international economic order, but its approach has always been a rational one, Alatas said.

"We do not seek a zero-sum outcome in the North-South negotiations but an economic order of equitable and mutual benefit to all nations," he said.

At the same time, though Indonesia's and ASEAN's positions are inseparable from that of the Group of 77, "We believe... we can and should play a constructive and moderating role, both within our own group as well as vis-a-vis the countries of the north."

Official Reports on Seminar on South China Sea

BK2401133990 Jakarta Domestic Service in Indonesian 1200 GMT 24 Jan 90

[Text] A seminar in Denpasar, Bali, on coping with disputes in the South China Sea today ended its discussions on existing problems in the area. Wayan Gama, Denpasar-based Radio Republik Indonesia correspondent, reports on several agreements reached at the seminar:

[Begin recording] In the seminar attended by about 60 participants from ASEAN countries and seven experts from Canada, which sponsored the seminar, all participants stressed the need to hold follow-up meetings to enable the South China Sea to become a problem-free area and even benefit all countries bordering it.

Speaking to the Denpasar station of Radio Republik Indonesia, Hasyim Jalal, director of the Research and Development Division of the Foreign Affairs Department, said the presence of non-ASEAN countries, including the Indochinese countries, is considered necessary in the coming meetings. Other problems, which are still academic in nature, must also be viewed in such a way that eventually policies can be formulated by each ASEAN country. Hasyim Jalal said seminar participants also stressed the need to establish a cooperation grouping like the South Pacific Forum so cooperation in all fields can be carried out. In the expected future meetings, it is hoped that all forms of conflict in the South China Sea will be solved without harming the interests of any country.

Hasyim Jalal added that there are many problems in the area, including the overlapping claims on islands as well as maritime boundary claims involving ASEAN and non-ASEAN countries, such as the PRC and Taiwan. It is a tough and time-consuming task to settle these problems without harming any country's interests. What is most important for ASEAN is to turn the area into a peaceful zone so each ASEAN member country can carry out its own development programs. [end recording]

Turkish Cypriot Community Leader Calls on Alatas

BK2501124390 Jakarta Domestic Service in Indonesian 1200 GMT 25 Jan 90

[Text] The visiting leader of the Turkish Cypriot community, Rauf Denktash, called on Foreign Minister Ali Alatas in Jakarta today. A press statement from the Foreign Affairs Department said that his visit was aimed at briefing Alatas on the latest developments in the UN Secretary General-sponsored intercommunal talks between Turkish Cypriot and Greek Cypriot leaders on the Cyprus issue, which have been terminated for some time.

When asked about Indonesia's attitude toward the Cyprus issue, Foreign Minister Ali Alatas said that Indonesia supports a peaceful solution enabling establishment of a federal state to accomodate the aspirations of the peoples of both groups.

Rauf Denktash arrived in Jakarta on Wednesday [24 January] night and is scheduled to meet the deputy house speaker and pay a courtesy call on President Suharto on Saturday.

Laos

Article Views Rebel's 'So-Called' Government

BK2601114790 Vientiane Domestic Service in Lao 1200 GMT 25 Jan 90

[Station commentary: "The Meaning of the Word Government"]

[Text] Dear listeners, it is impossible for us avoid Pali and Sanskrit words in our Lao-language daily conversation because the original Lao language was incomplete and had to borrow Pali and Sanskrit words, such as the word latthaban [government] which is derived from Pali. Lattha means province, territory, state, and country. Pala means to govern, rule, organize, and safeguard. The two words are combined as latthaban, which means a ruling organization of a country or protector of a territory. Linguistically speaking, a government must have territory and country under its rule and people under its care. So far, there have been many governments which have only existed on paper. They do not even have a postage stamp-sized territory, nor any significant number of people under their rule. Moreover, members of such governments exist in name only. However, they arrogantly call themselves governments.

In particular, a small number of the exiled Lao reactionaries, relying on Western mass media as their mouthpiece, recently announced that they have formed the so-called revolutionary government inside Thai territory where they are living. In fact, they are tools of the imperialists and counterrevolutionary forces abroad. They have been well fed and trained before being sent into the Lao People's Democratic Republic to carry out subversive missions in different forms. To be more precise, their government exists in name only and constitutes what one might call a phantom government. Such a government cannot be called a government because it does not possess anything. Governments in this category include the so-called Coalition Government of Democratic Kampuchea of the three Cambodian factions and the so-called revolutionary governments of the exiled Lao and Vietnamese reactionaries. These are illegal governments which exist only on paper.

Hong Kong's ASIAWEEK magazine recently noted that the exiled Lao reactionaries' so-called revolutionary government, as promoted by the Western mass media, is still far from reality. In fact, the main target of the reactionaries' maneuvering was Bangkok. The resistance group had cheekily invited journalists from the Thai capital.

Even as their stories appeared in the pages of Thai newspapers, with the front pages lined with the fall of sterner communist regimes, diplomats were giving their unanimous verdict that the reactionary government was an empty claim. A European envoy in Vientiane said: There was no reason to believe the statement. He did not take it seriously. Another Western diplomat in Vientiane said that there was no sign of anything wrong at all.

This announcement was made by people seeking to publicize their cause and appeal to parties outside of Laos and Thailand who are not well-informed about the real situation. It's a desperation tactic, a fund-raising maneuver, and a publicity stunt by a fragmented organization trying to stay alive. Even other resistance groups were doubtful.

The real meaning of government is that government must be established by the people, it must belong to the people, and it must truly serve the interests of the people.

Thai Press Criticized for 'Slandering Laos'

BK2601051090 Vientiane Domestic Service in Lao 1200 GMT 25 Jan 90

[Text] Customarily, Western news sources are well known for their ability to sensationalize groundless rumors. The Thai press, however, is now far more advanced than its Western counterparts in this regard. A number of leading Thai authorities have already experienced this outstanding ability of the Thai press. Therefore, it is not at all surprising that certain Thai newspapers have lately presented false news reports aimed at slandering Laos, thus causing adverse effects on the relation between Laos and Thailand.

For example, on 10 January the BANGKOK POST reported that the Lao Government had deployed its Air Force to bomb many villages in Xieng Khouang and Bolikhamsai Provinces. Earlier, many Thai newspapers also reported in earnest on the unverified and unsubstantiated movements of the so-called Lao resistance government.

This development clearly shows that certain Thai newspapers operated by some bad elements always try to find an opportunity to wage slanderous propaganda campaigns against Laos by presenting false reports on various unpopular matters to undermine the honor and prestige of the Lao nation and to create a misunderstanding in the good-neighborly relations between the Lao and Thai peoples.

'Bad Elements' in Thailand Support Reactionaries

BK2601090390 Vientiane Domestic Service in Lao 0000 GMT 25 Jan 90

[Station article: "Shouldering a Heavy Burden While Having Nothing To Gain But Everything To Lose"]

[Text] During the past several years, Thailand has become the haven, rallying center, and training ground for the reactionary traitors from the three Indochinese countries. With help from a number of bad elements in the Thai ruling circles, they have been sent to undermine the tranquility of the Lao, Vietnamese, and Cambodian people. Despite the fact that many countries and international organizations have now adopted new attitudes toward the Cambodian problem, the bad elements in Thailand continue their assistance to the Khmer reactionaries by allowing them to use parts of the territory and waterways of their independent country against the Cambodian people, thus opposing His Excellency Prime Minister Chatchai Chunhawan's effort to solve the Cambodian problem through political means, which has so far been successful to a certain extent and been enjoying support both inside and outside Thailand.

The bad elements in Thailand have not only caused sufferings and hardships to the Thai people living along the Thai-Cambodia border because of the fighting between the two Cambodian factions, but have also impaired the credibility and image of their own country in the eyes of foreigners who can see that Thailand is involved in supporting the Khmer reactionaries and blame it for prolonging the fighting in Cambodia.

In light of such circumstances, 90 member of Thailand's House of Representatives, including those who witnessed the total withdrawal of Vietnamese volunteer troops from Cambodia in late September last year, urged His Excellency General Chatchai Chunhawan to strictly implement Decree 66/2523 on Thailand's neutrality in connection with the Cambodian conflict. The Thai parliamentarians stressed that now is the time for Thailand to readjust its policy on the Cambodian problem in conformity with the changing conditions and circumstances and with the aspirations and interests of the Thai people. With courage and determination to defend national prestige and honor, an independent and sovereign country should implement the policy on the Cambodian problem as follows:

1. Barring all Cambodian factions from entering Thai territory to carry out war activities, to hide, to gain support, or to carry out any activities involving the fighting in Cambodia.
2. Barring all Cambodian refugees in Thailand from undertaking any activities in support of any Cambodian faction now fighting in Cambodia.
3. Barring other countries from using Thailand as a transfer point for delivering arms, personnel, supplies, or food to any Cambodian faction, the one exception being humanitarian aid.
4. Searching for a way to quickly repatriate Cambodian refugees because they serve as troops of the Khmer reactionary factions in fighting the Phnom Penh government's forces. As a result, the Thai people living along the Thai-Cambodian border have always been victimized in cases of attack, hot pursuit, and shelling by the government's forces.

The petition also noted that a government must first consider its country's interest before supporting and

recognizing a foreign government. As for Thailand, it has gained nothing from supporting and recognizing the Cambodian resistance government except bullets, injuries, casualties, hundreds of Cambodian refugees to take care of, tremendous economic losses, and condemnation from the world community for bowing before the superpowers.

The correct line of thinking and attitude of the 90 members of the Thai House of Representatives has clearly proven that in the matter of the Cambodian problem, Thailand and the Thai people are plunged into a position which a Lao proverb very accurately describes: Shouldering a heavy burden while having nothing to gain but everything to lose.

Acting President Receives New UK Ambassador

BK2501111990 Vientiane KPL in English 0918 GMT 25 Jan 90

[Text] Vientiane, Jan 25 (KPL)—The acting president of the Lao People's Democratic Republic Phoumi Vongvichit yesterday received credentials from the new ambassador of the United Kingdom of Great Britain and Northern Ireland to Laos, Mr. Michael Ramsey Melhuish. The ambassador has his permanent residence in Bangkok, Thailand.

The acting president, on the occasion, discussed with the British ambassador relations between the two countries and wished him success in his new mission thus contributing to the further development of relations in the common interest of the two countries' peoples, and of peace.

Leaders Send Greetings on Indian Republic Day

Acting President Sends Message

BK2601103490 Vientiane KPL in English 0932 GMT 26 Jan 90

[Text] Vientiane, Jan 26 (KPL)—The Lao Acting President Phoumi Vongvichit has sent a message of greetings to the Indian President R. Venkataraman.

The message says "On the occasion of the 40th anniversary of the National Day of the Republic of India, I would like to express my warm congratulations to Your Excellency and best wishes for peace and prosperity to the friendly Indian people.

"I hope that the close friendly relations and cooperation between the Lao People's Democratic Republic and the Republic of India will be further developed and strengthened for our mutual benefit, for peace in Asia and the world over."

Foreign Minister Sends Greetings

BK2601102890 Vientiane KPL in English 0929 GMT 26 Jan 90

[Text] Vientiane, Jan 26 (KPL)—Lao Foreign Minister Phoun Sipaseut has sent a message of greetings to I.K. Gujral, Indian minister for foreign affairs. The message says as follows:

"On the occasion of the 40th anniversary of the National Day of the Republic of India, on behalf of the Government of the Lao People's Democratic Republic and on my own, I would like to express my warmest congratulations and best wishes to Your Excellency and through you to the government and people of India.

"I am pleased to note that the friendly traditional relations existing between our two countries will be further developed and strengthened for our mutual benefit, for peace in our region and the world over.

"Please accept, Excellency, my best wishes for your health and happiness, for progress and prosperity of the friendly Indian people."

GDR Minister Sends Greetings on LPA Founding

BK2601044090 Vientiane Domestic Service in Lao 0430 GMT 25 Jan 90

[Text] On 20 January, Comrade General Khamtai Siphandon, national defense minister of the Lao People's Democratic Republic, received greetings from Comrade General Hoffmann, national defense minister of the GDR, on the occasion of the 41st anniversary of the founding of the Lao People's Army [LPA].

The message reads:

Respected Comrade Minister, on the occasion of the 41st founding anniversary of the LPA, on behalf of the National Defense Ministry and all cadres and combatants in the National Armed Forces of the GDR and in my own name, I would like to extend my best wishes to you, comrade, and to all cadres and combatants in the LPA. I wish you new successes in defending your country. I am convinced that the militant solidarity and cooperation between the armed forces of our two countries will be further developed for peace and the interests of our peoples.

I wish you, Comrade Minister, good health so that you can fulfill the esteemed tasks under your responsibility.

Lao Women's Union Delegation Leaves for Cuba

BK2601104290 Vientiane KPL in English 0934 GMT 26 Jan 90

[Text] Vientiane, Jan 26 (KPL)—A delegation of the Lao Women's Union led by Mrs Khemphet Phonsena, member of its Standing Committee, left here on Jan. 24

for Havana, Cuban capital, to attend a conference of women from non-aligned countries due to be held there during Jan 29-Feb 1.

Philippines

NPA Claims Responsibility for USIS Attack

HK2601140690 Manila Radio Veritas in Tagalog 1300 GMT 26 Jan 90

[Text] The New People's Army [NPA] has claimed responsibility for the grenade explosion at two government installations and the USIS office in Davao. In a statement, the NPA said this was a muscle-flexing activity intended to destroy the U.S.-Aquino political machinery, adding that the present administration is soon to collapse.

This was the second attack on the U.S. Information Service office in Davao. The NPA forces in the city were reduced in the past years because of the creation of vigilante groups.

Meanwhile, a curfew had been enforced in Agdao district following reports that the NPA was in the area and was painting walls with communist slogans. The curfew is from 2400 to 0400 [1600-2000 GMT].

Senator Assails U.S. 'Threat' To Launch Attack

HK2601092090 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Jan 90

[Text] Senator Heherson Alvarez assailed a threat by the United States that it would allegedly launch attacks on the Philippines should the lives of Americans here be endangered. In an interview with Deo Macalma of DZRH, Alvarez said that the United States should first clarify what the issues are, because the situation in the Philippines is different from the events that took place in Panama.

Earlier, diplomatic observers in Washington said that the United States could invade the Philippines as it did Panama should the threat by the New People's Army and rebel soldiers to kill Americans in the Philippines be realized. Here is the reaction of Senator Alvarez:

[Begin recording] That is wrong, and totally out of line. How could they compare us to Panama when their real enemy there is the Panamanian Government itself. It was the Panamanian Government that harmed American personnel. What it actually did was a declaration of war.

Let's say for example that there is a rightist group here that is targetting Americans and may kill them. The United States should not deal directly with such a rightist group, but should deal with us because we have an agreement. It would be a police problem. Any action the U.S. would want to take here should be discussed with the government. If they want effective action regarding attacks on their servicemen and the arrest of their personnel here, they should talk to us. We are not their enemies. [end recording]

Students Hold Antibases Rally at U.S. Embassy

HK2601094690 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Jan 90

[Report by Jennifer Postigo]

[Text] The National Union of Students of the Philippines [NUSP] and the League of Filipino Students [LFS] today held a rally in front of the U.S. Embassy denouncing the existence of U.S. military bases in the country. They were carrying streamers and white headbands bearing the slogen: No Renegotiation. The rally by the NUSP and LFS students was peaceful. They were not dispersed by the Western Police District personnel, who later arrived at the rally site.

We were able to talk to Mike Defensor and Nathaniel Santiago, both leaders of student groups. They said that this kind of protest action against the presence of the U.S. military bases will continue until concerned officials give in to their demands.

RAM Claims No Intention To Target Americans

HK2601135890 Manila Radio Veritas in Tagalog 1300 GMT 26 Jan 90

[Text] A spokesman for the Reform the Armed Forces Movement [RAM] said they have no intentions to include as targets Americans in the Philippines, saying it is the United States' problem if it wants to meddle in the internal affairs of the country. However, he admitted they have strongly denounced the U.S. participation in the December 1989 coup.

Manglapus Announces Bases Talks Set For Feb

HK2601061090 Manila PHILIPPINE DAILY GLOBE in English 26 Jan 90 p 1, 8

[By staff writer Julius Fortuna, with reports from S. Santos and D. Borje]

[Text] The exploratory talks on the future of U.S. bases in the Philippines, earlier set for March-April, have been advanced to early February, Foreign Affairs Secretary Raul Manglapus disclosed yesterday.

Also yesterday, Presidential Spokesman Adolfo Azcuna dismissed as mere opinion the assessment by U.S. Rep. Jim Kolbe that President Aquino prefers to retain Clark Air Base and Subic Naval Base, but is restrained by growing Filipino sentiment to cut dependence upon the United States.

Manglapus also said that he was unaware of what transpired during Kolbe's call on Mrs. Aquino last week, when the U.S. legislator was in Manila. "I don't know about it," he said, "I will have to check with the President, but our position remains the same: we will have the exploratory talks in early February."

Mrs. Aquino has consistently maintained an "open options" policy on the bases' future after the lease agreement expires in 1991. She has also said that the issue will be discussed in the exploratory talks.

The talks were originally scheduled for December, but were reset for March-April in the wake of the sixth and bloodiest military attempt to topple Mrs. Aquino last month.

Manglapus, chief Philippine negotiator, did not say why the talks have been rescheduled for February. He just said "we have to have exploratory talks, and only after the exploratory talks shall we have formal negotiations."

He maintained that Kolbe's statement about Mrs. Aquino's desire to retain the bases does not tie his hands in the talks.

As Azcuna said during a radio interview, Senators Aquilino Pimentel, Agapito Aquino, and Rene Saguisag dismissed as mere opinion Kolbe's assessment.

"I do not think Congressman Kolbe speaks for President Aquino," Pimentel said. "I think what Mr. Kolbe is trying to do is to pin down President Aquino to a specific position on the bases issue. He is engaging in wishful thinking."

Aquino, the President's brother-in-law, said: "It is only Kolbe's opinion. I suppose that after talking with the President, he arrived at that conclusion himself. Therefore, I deny that any of the statements (by Kolbe) came from the President."

Aquino did not say if he had discussed the matter with the President, who was in Samar the whole day.

Other developments:

In Washington, 22 U.S. congressmen from President George Bush's Republican Party urged him to reject efforts to cut by 5 percent the foreign military aid to Israel, Egypt and the Philippines in order to channel more money into Panama and Eastern Europe. "To reward one ally at the expense of another would be shortsighted and detrimental to American interests," they said in a letter.

In Cebu City, the Pro-Bases Secretariat [PBS] warned that it will redefine its position on the bases because of the 5 percent cut. PBS spokesman Roger Vallena said the group will shift from its markedly probases position "if it is confirmed that the (United States) has indeed reneged on its commitments."

Col. Cecil Ross, Clark Air Base spokesman, said the United States still needs bases in the Philippines despite the Soviet pullout from Cam Ranh Bay in Vietnam because "there are many conflicts in the world." He said the U.S. presence in Southeast Asia is not meant to check the USSR alone, arguing that "Burma has a problem...as do Vietnam and Cambodia ...There is concern over what happens in Hong Kong (after 1997)...Malaysia and the Philippines have disagreements."

Congressman Refutes Bases Extension Claim

HK2501094090 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 25 Jan 90

[Text] Senator Butch Aquino, President Aquino's brother-in-law, strongly denied that the president has agreed to an extension of the Military Bases Agreement which is due to expire in 16 September 1991.

Earlier, U.S. Congressman Jim Kolbe, chairman of the U.S. House sub-committee on overseas military construction, stated that President Aquino has agreed to extend the stay of the U.S. military bases in the Philippines.

In a press conference, Senator Aquino said that the congressman's statement was only a personal position:

[Begin Aquino recording in English] That is his own personal conclusion and the president never stated anything to that effect. It is only an opinion of Congressman Kolbe, who I also met, by the way. And I suppose after talking to the president, he arrived at this conclusion himself. Therefore, I deny that any of these came from the president. [end recording]

It is recalled that Kolbe met with President Aquino last week in connection with his so-called fact-finding mission. Some senate observers say however, that perhaps Kolbe breached an agreement of secrecy in relation to President Aquino's position on the bases.

Aquino Denies Firm Position on Bases Retention

HK2601140490 Manila Radio Veritas in Tagalog 1300 GMT 26 Jan 90

[Text] President Corazon Aquino emphatically denied an allegation that she is determined to retain the U.S. bases in the country. In a statement, the president said that aside from her, no government or American official can declare the country's position on the U.S. bases issue. The president is reacting to U.S. Congressman Kolbe's statement that she wanted to retain the U.S. bases here, had there been no political pressure.

Columnist Assesses Feelings on U.S. Bases

HK2401093990 Manila THE MANILA CHRONICLE in English 22 Jan 90 p 4

["Social Climate" column by Mahar Mangahas: "The Real Score on the U.S. Bases"]

[Text] The future of the U.S. military bases in the Philippines is too important a public issue to leave to guesswork.

At Social Weather Stations [SWS], we feel that, if public opinion counts, then public opinion should be counted.

In his CHRONICLE column of January 18th, Alex Magno asserted that "A minority of public opinion supports the status quo on the bases." Although he is an academic, he did not cite a data source to back this up.

In the latest SWS national survey, the percentage in favor of the status quo, out of those aware of the presence of the U.S. bases, was 54%. Here "status quo" means extending the term of the bases even without changing the compensation package. That was in September 1989, with an error margin of plus or minus 3%.

Those wanting the removal of the bases by 1991, if not earlier, amounted to 23%; for these people there is nothing further to negotiate. Those saying that "It depends on whether the compensation to the Philippines is increased" amounted to 18%. The balance of 5% had no opinion.

Thus what Alex terms the "swing vote" is, at latest count, too small. Even if all of it swung left, the total of the anti-bases vote would only be 41%, or not enough to counter the pro-bases vote of 54%.

A very striking finding we have is that the pro-bases sentiment is rather large, even among people who don't trust the American government.

Our survey indicator of "trust" vs. "distrust" is agreement vs. disagreement to a statement that "Most of what the U.S. government wants to happen in the Philippines is good for the Filipinos."

The support for the status quo is 66% among those who trust the U.S. government, 52% among the fence-sitters, and 45% among those who definitely distrust it. Among those who distrust the Americans, only 40% want the bases out, and 13% say that "it depends." That a pro-bases position could coexist with distrust for the U.S. is the demonstration of Filipino pragmatism.

So the status quo option would have won if a national referendum were held last September. But that was four months ago; what change has there been since then?

The SWS coup-reaction survey in Metro Manila last month found that opinion in the capital had not changed between September and December 1989. The results were:

	Sep 1989	Dec 1989
Remove bases by 1991 or sooner	29%	31%
It depends	21%	20%
Status quo	46%	46%

The error margin for these metropolitan surveys is plus or minus 5%. Thus no real change has happened since September, despite the matter of U.S. air force intervention during the coup attempt.

This has been the situation in Metro Manila. For a national score, we have to wait until we do a new national survey round in 1990. However, in my experience, every opinion trend discovered in the capital has thus far been validated as a general trend in other parts of the country also.

The term "trend" means time-pattern. In other words, what goes up, comes down, or stays the same in Metro Manila has, in general, also proven to go up, come down or stay the same in the Philippines as a whole.

The spatial pattern is another matter. The public in Metro Manila is better informed, more sophisticated and more demanding than anywhere else. Notice that the status quo's lead over the anti-bases vote last September was 46-29 in the capital, or weaker than the 54-23 in the entire country.

Now, public opinion is far from rigid. See the people's latest rejection of Enrile, Laurel and Honasan. See how Cory's popularity can swing up, and down, and up again. The new reports on the failure of the U.S. government to meet its present obligations are probably hurting the status quo faction somewhat.

In the meantime, anti-bases advocates like Alex Magno should target their educational campaigns at the less urbanized areas and the rural areas. Focus on the older half of the voters, those aged 35 and above. Precisely because the youth are much easier to convert, you needn't spend so much time with them.

Holding anti-bases symposia in urban schools means preaching to a largely converted audience. Some of the students on hand aren't old enough to vote in a referendum for several years yet.

Most important of all, assess your strengths and weaknesses scientifically, and assume that your adversaries are doing the same. Guesswork and wishful thinking may land you a referendum before you're already for it.

Study Says Bases Can Store Chemical Weapons

HK2401092590 Manila THE MANILA TIMES in English 23 Jan 90 p 2

[Text] The amendment to the Military Bases Agreement forged in 1988 by Foreign Secretary Raul Manglapus and former U.S. State Secretary George Shultz in 1988 allows the storage or installation not only of nuclear weapons, but also chemical and biological weapons, in the country's territory by the U.S. government, according to a University of the Philippines law professor.

Merlin Magallona, director of the International Studies Institute of the Philippines, said the "non-conventional weapons" in the agreement referred to "chemical and biological weapons."

The agreement, he said, was "a moment of lunacy" because it violated the Constitution and "shattered the consistent record" of the Philippines in the United

Nations "for the complete and effective prohibition and destruction of chemical and biological weapons."

The agreement states in part that "the storage or installation of nuclear or non-conventional weapons or their components in Philippine territory shall be subjected to the agreement of the government of the Philippines."

Magallona said the "agreed minutes" on the topic acknowledged that "the governments of the Philippines and the United States note their understanding that the term non-conventional weapons refers to chemical and biological weapons."

The Constitution provides that "generally accepted principles of international law are part of the law of the land."

According to Magallona, as early as 1874, general customary international law had prohibited the use of chemical and biological weapons. At the Brussels conference, the international community recognized the "horrors of chemical or prison gas weapons."

The Philippines and the U.S. were parties to the still standing Geneva Protocol of June 17, 1925. The protocol calls for the "prohibition of the use of war of asphyxiating, poisonous or gases and bacteriological methods of warfare."

He said both countries were among the 107 states that recognized the convention on the "prohibition of the development, production, and stockpiling of bacteriological and toxic weapons and their destruction," which compliments the Geneva Protocol.

Magallona said the contracting states in the convention were obligated to take measures to prohibit and prevent the presence of such weapons in their territories.

The Philippines even joined a call, during the second review conference in 1986, for those countries who had not yet taken measures to eliminate the weapons, "to do so immediately," he said.

Official Urges U.S. Release of Squatters Fund

HK2501103190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 25 Jan 90

[Text] The U.S. Government's refusal to release funds for the relocation of squatters around Clark Air Base is contributing to the critical situation of Americans in the area. Rey Arquiza has the details:

[Begin recording] The U.S. Government should release the funds for the improvement of security on its bases in the country. Brigadier General Demetrio Camua Jr. issued this statement in relation to a threat by the communist rebels against the lives of Americans. Camua is the Philippine deputy commander on Clark Air Base. He said that the 500-million-dollar-fund, which has not yet been released by the U.S. Government, is intended for the relocation of about 16,000 squatters outside Clark Air Base, believed to be infested with New People's Army rebels. Camua stressed that the rebel threat against Americans on the base is worsened by the presence of squatters within the perimeters of the military base. [end recording]

Military Submits 'Shopping List' of Equipment

HK2501042790 Manila PHILIPPINE DAILY INQUIRER in English 25 Jan 90 p 9

[By Fe B. Zamora]

[Text] A "shopping list" of $29.4 million worth of modern war equipment has been submitted to the U.S. by the Armed Forces to upgrade its capability, according to Defense Secretary Fidel V. Ramos.

Ramos said the "shopping list" is being checked against the U.S. inventory of available war items which will be procured under the RP [Republic of the Philippines] U.S. Foreign Sales Program.

"There is an agreement on what is being ordered and what should be delivered," he said. "This is a give and take thing."

Ramos did not give details on what items the AFP [Armed Forces of the Philippines] requested from the U.S. but said the thrust is "to upgrade the capability of the AFP".

The AFP has "saved" a total of $29.4 million from the unexpected FMS [expansion unknown] from the past years, said Ramos.

The AFP is expecting by June this year the first batch of MD-500 helicopter gunships purchased under the RP-U.S. military assistance program.

Under the RP-U.S. bases agreement, the AFP was also the recipient of $85 million in annual military sales from 1985 to 1989 with the renewed base talks in 1988, the U.S. granted another $200 million package each for 1990 and 1991.

The defense chief said the Philippine government has proposed to the U.S. congress the conversion of the money into grants "so we can buy additional equipment."

However, he said the U.S. congress still has to act on the proposal.

The new equipment will be in line with the AFP efforts towards modernization. "We do not buy equipment for specific targets," Ramos also said.

Enrile Urges Mutual Defense Treaty Termination

HK2501140190 Manila Radio Veritas in Tagalog 1300 GMT 25 Jan 90

[Text] Senator Juan Ponce Enrile proposed the immediate termination of the Philippines-U.S. Mutual

Defense Treaty. In his speech at a meeting of the National Union of Students of the Philippines, held at the Club Filipino, Enrile said President Aquino could use her influence to change the position of some senators regarding the presence of U.S. installations in the country. He also warned that the United States could do to the Philippines what it did in Panama—invade. It is recalled that U.S. Congressman Jim Kolbe stated that President Aquino has allegedly agreed that the U.S. bases will remain in the country even after 1991 when the bases agreement expires.

Enrile Denies Coconut Fund Misuse Charge

HK2501114790 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 1030 GMT 25 Jan 90

[From the "GMA News" program]

[Text] Senator Juan Ponce Enrile today denied an accusation that a huge part of a coconut levy fund was misused when he was still a board member of the Philippine Coconut Authority. Enrile issued the denial in an anti-bases forum held today, in which he vowed to oppose the U.S. bases remaining in the country.

On the alleged misuse of the coconut levy fund, Enrile said this is only part of a campaign to discredit him:

[Begin recording in English] [Enrile] I doubt whether there is any basis for the charge, although I imagined that this is a part of the political effort that they are now undertaking against me, you know. And I feel flattered that I am the center of their attention.

[Reporter] Do you think this is a coincidence?

[Enrile] It is not a coincidence. It is a deliberate effort on the part of the Aquino administration to probably pile up all of these cases against me, hoping that they can immobilize me. But far from it, I will continue my fiscalization [as heard]. [end recording]

Military Uncovers Rebel, North Korean Meetings

HK2501045190 Manila THE MANILA CHRONICLE in English 25 Jan 90 p 7

[Report by Manny Mogato]

[Text] Local communist guerrillas have agreed to pass "sensitive" information about the American military facilities here to North Koreans in exchange for heavy war materials, captured rebel documents said.

The documents, which were declassified by the military intelligence community, also revealed two secret meetings between the local communist rebels and representatives from the Koreans' Workers Party (KWP) in a third country in Asia three years ago.

Copies of the documents were distributed to reporters by a senior intelligence official who refused to be identified. The declassified document, he claimed, was part of the voluminous documents seized from Wilma Tiamzon when she was captured in October last year.

Based on the documents, the first meeting between the local rebels and North Korean representatives was held outside the country between September 25 and October 9, 1986.

Sixto Carlos, the alleged head of the local communists' international department, headed the Philippine panel. A certain Ho Dam, an alleged alternate member of the KWP Politburo, was the head of the Korean panel.

The first meeting was more on an orientation discussion between the two communist parties, explaining their policies and programs.

The second party-to-party meeting took place in May 1987 with Jose Ma. Sison and Romulo Kintanar heading the local rebels' panel. Opposite them was a certain Kye Ung Tae, another alternate member of the KWP.

The second meeting produced a more concrete agreement between the local communists and the North Koreas, which was trying to make its presence felt in the region.

At least six main points were taken during the second meeting. These were: the local rebel movement has agreed to provide information about the Americans and their bases here to North Koreans; the local rebel movement has agreed to organize a solidarity organization here that would support the reunification campaign in Korea—the organization of a regional anti-imperialist movement in the Asia-Pacific region. For the Koreans' part, they have agreed to develop stronger relations between the two parties. They also agreed to conduct exchange visits, including the sending of local rebel cadres for education and training in North Korea, and the North Koreans accepted the local rebels' request for military assistance.

Senator Comments on Alleged Foreign Interference

HK2501102790 Manila Radio Veritas in Tagalog 0900 GMT 25 Jan 90

[Slantlines denote passages in English]

[Text] Senator Rene Saguisag warned against any kind of interference in internal issues by foreign countries. He made this comment following reports that the North Korean Communist Party is supporting the New People's Army. Senator Saguisag hopes that these reports are not true.

[Begin recording] /I hope that's not true. And of course, we don't want interference, whether from the Americans or North Koreans, in the way we conduct our lives here in our country. So I hope/ this is not true; they should not interfere. /We want to be at peace with everybody in the world./ If there is any truth to this report,.../ as I said I'm not sure,/ because based on what I have read, /the insurgency in this country is essentially homegrown./ I

hope that in the end, we are just one big Filipino family. Let us not welcome intervention or interference from any source. [end recording]

Authorities Investigate Foreign Arms Shipment

HK2401090790 Quezon City MALAYA in English 24 Jan 90 pp 1, 6

[By Gerry Baldo, Chit Estela, Manny Velasco, and Nestor Arellano]

[Excerpts] A foreign vessel anchored off Corregidor and a nearby island close to midnight Jan 12 and unloaded a large shipment of firearms, a naval intelligence source said yesterday. He said intelligence authorities believe the shipment was intended for rebel soldiers.

The sources said the vessel, which bore Arabic markings, was met by at least 15 large fishing boats to which the crates of firearms were tansferred. The boats were reported to have headed for Maragondon and Ternate, Cavite.

The source said probers are trying to determine how the vessel entered Philippine waters without being spotted by either the Navy or the Coast Guard, despite intensified naval patrols in the area since the Dec 1 coup and a PAF [Philippine Air Force] radar station on Lubang island near Mindoro. [passage omitted]

The naval intelligence source on the arms unloading base their theory that the shipment was intended for rebel soldiers was based on reports that renegade Col Gregorio Honasan was sighted in a guesthouse of a ranking Cavite official.

A Coast Guard official said the ship could have been an Australian vessel suspected to be bringing in firearms and to which they had been alerted.

Justice Secretary Franklin Drilon, reacting to Enrile's charges, said the NBI [National Bureau of Investigation] submitted the contested affidavits, which were executed by Erick Lautard and Alfredo E. Labrague, Silahis International Hotel's assistant executive chef and pastry cook, respectively. [passage omitted]

Sen Joseph Estrada (LP) [Liberal Party] made public Monday a purported letter from renegade Brig Gen Edgardo Abenina dated Jan 2 saying the biggest contribution received by rebels were from "senior officers of the Armed Forces and the Integrated National Police."

Defense Secretary Fidel Ramos, however, dismissed Abenina's claims, saying, "I really don't know whether he is again talking way over his head. He has said things before that were not very credible." [passage omitted]

In Malacanang, Mrs Aquino said that while Abenina was obviously among the most guilty persons implicated in the mutiny, the information he gave is one that lawyers would call as having come from a polluted source.

Mrs Aquino said the government is proceeding with "deliberate speed and determination in its investigation of all those involved in the rebellion, both military and civilian."

Mrs Aquino disputed allegations that the Dec 1 coup would set back the country's economic recovery efforts. [passage omitted]

Military Cautioned Against Rebel Recruitment

HK2501045390 Manila PHILIPPINE DAILY GLOBE in English 25 Jan 90 p 6

[By correspondent Noemi Alcala, Divina Pl Japa, Rendentor Viaje, and Jim Manaois]

[Text] Army chief Maj. Gen. Manuel Cacanando cautioned military troops yesterday not to fall prey to what the termed as "disinformation tactics" used by renegade military officers to recruit more soldiers for another coup attempt.

Three "stop-gap" measures have already been taken to counter the disinformation and recruitment efforts of the coup plotters, he said.

These anti-coup measures include orders that:

—troops immediately arrest superior officers giving out illegal orders.

—senior division and field commanders "go open and make their official position known to the troops" that they would support the duly constituted authority and the Constitution.

—all officers and men report information they may have stumbled upon on new plots by rebel forces to mount destabilization moves, including coup attempts, on the government.

Cacanando said that he issued the orders after leading Army officers and civilian officials in pledging their allegiance to the government.

According to Cacanando, plotters of the December coup have "waged a propaganda blitz or disinformation just to sow confusion" among the troops and the general public.

Cacanando was reacting to a recent statement by fugitive Brig. Gen. Edgardo Abenina that senior military officers had given financial support to mutinous forces just to stay neutral during the recent coup.

Abenina further claimed that the financial support doled out by senior AFP [Armed Forces of the Philippines] officers were made on alleged assurances that they would not be kicked out of their posts in case the coup forces succeeded in their attempt.

The Army chief said he saw a "disinformation tactic" by the coup leaders to disunite the military. "Everybody will be suspecting (everybody)," he pointed out.

Cacanando gave assurances, though, that the officers' corps of the Army remained intact. "I have checked around and have not found anybody voicing sentiments in support of the coup plotters."

All major service and field commanders of the Armed Forces, he said, are now carrying out orders from AFP chief Gen. Renato de Villa to rally troops behind the duly constituted government and the Constitution.

The Army chief told the troopers to "give our life to defend the duly constituted authority and protect the Constitution against the enemies of the state."

Armed Forces chief Brig. Gen. Renato de Villa also admitted the other day that plotters of the December coup continued to recruit members and that as long as they remained at large, the threat of another destabilization remained.

The military, De Villa said, is now concentrating on the capture of the six-man core group of the Reform the Armed Forces Movement-Soldiers of the Filipino People (RAM-SFP), which includes cashiered Army Lt. Col. Gregorio "Gringo" Honasan and Brig. Gen. Jose Ma. Zumel.

Also yesterday, dismissed National Telecommunications (NTO) chief Jose "Linggoy" Alcuaz predicted another coup d'etat, which, he said, would be mounted by senior military officers.

In November 1989 Alcuaz predicted that a coup attempt would be staged before year end. The December 1 coup proved his prediction correct.

In an interview with newsmen following his speech during the general meeting of the Credit Management Association of the Philippines (CMAP), Alcuaz said that the coup threat, would be launched within the next five weeks, or during the last week of February.

According to Alcuaz, if the next coup does not prosper, the rebel soldiers will stage a plan "B" which would consist of "assassinations" of high-ranking civilian government officials.

He said that next coup would be carried out by the mutinous soldiers "for the last time."

Alcuaz was dismissed last year form his NTC [National Telecommuncations Commission] post due to his vocal criticisms against some Presidential relatives who, he alleged had interfered in certain transactions involving the NTC.

Meanwhile, Sen. Aquilino Q. Pimentel Jr. (PDP-Laban) [Pilipino Democratic Party-Nation's Strength] said yesterday that the six coup attempts to date could be attributed to the fact that "as a developing country, we have not yet developed."

Speaking before the Regional Directors Association of the Philippines in Davao City, Pimentel said that a coup d'etat is not the solution to the problems faced by the country because had the coups succeeded, "they would only have ushered in a new set of governors of the nation, which in all likelihood, would be in the form of a military junta."

"And they would have failed to redress the basic grievances of our people for economic well-being, for good government and for freedom from colonial imposition," said Pimentel, who cited the general experience in other countries, particularly in South America and Africa.

Pimentel said that coups had produced military governments in those countries that "got mired in insatiable corruption, stalled by incurable inefficiency and characterized by brutal suppression of the human and civil rights of the people they were supposed to save and serve."

Also yesterday, the Rebolusyonaryong Alyansang Makabayan (RAM) and the Soldiers of the Filipino People (SFP) bared their political, economic and social "aspirations," which include a new constitution, and effective government resulting from "free, clean and honest elections," and a "unified, credible and professional" military.

The alliance, which led the bloody putsch last month, vowed to continue the "unfinished revolution" of 1896 which they described as "truly nationalist" Philippine revolution.

Apparently sensing the public's cynicism over the group's motives, the RAM and the SFP acknowledged a "pervasive notion" that military dictatorships always follow military takeovers, but hinted they would not follow this direction.

Ramos on Preventive Measures Against Coup

HK2601115890 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 26 Jan 90

[Text] The Department of National Defense is taking measures to prevent an attempt to launch another coup d'etat by rebel soldiers, Defense Secretary Fidel Ramos announced in a meeting with the Cebu Peace and Order Council in Cebu City. Ramos said that among the measures being taken are close surveillance of rebel soldiers' activities and strengthened military leadership. The defense chief also said that every measure will be taken to ensure a speedy disposition of the charges filed against coup leaders who have already been arrested and are now facing trial.

As to the December coup leaders who are still at large, Ramos said the government has allocated over 10-million pesos to win the cooperation of the concerned sectors.

Rebel Soldier Manifesto Vows To Continue Fight

HK2501044390 Manila PHILIPPINES NEWSDAY in English 25 Jan 90 pp 1, 2

[By editor Julian V. Cruz]

[Text] Rebel soldiers behind the December coup attempt yesterday issued a manifesto containing a very strong condemnation of the Aquino government and setting forth their aspirations in these areas—economic, political, and social.

The manifesto made clear the alliance between what used to be called the Reform the Armed Forces Movement (RAM) and the Soldiers of the Filipino People (SFP) which seem to be two distinct groupings within and outside the Armed Forces of the Philippines.

RAM provided the trigger to the armed forces revolt which with the backing of "people power" at EDSA [Epifanio de los Santos Avenue] in 1986 toppled the regime of then President Marcos. It had been identified with the new regime until it became associated with the series of coup attempts against President Aquino. Its best known leader is former Lt Col Gregorio "Gringo" Honasan.

The SFP is reportedly a new grouping consisting mostly of AFP personnel who are allegedly loyal to the late President Marcos.

The two groups—RAM and SFP—had been brought into an alliance reportedly by Brig Gen Edgardo M. Abenina for the December coup try.

RAM, however, no longer uses to its old name, Reform the Armed Forces Movement. It styles itself as the Rebolusyonaryong Alyansang Makabayan or Revolutionary Alliance for the Masses. Either way, the acronym RAM remains.

RAM describes itself in its current manifesto as a "multisectoral, multi-partisan group guided by the enduring dream of national unity."

The manifesto says that RAM and SFP "banding together" vow to continue the "unfinished revolution of 1986."

In the strongly worded condemnation of the Aquino regime, the RAM-SFP said that they:

(1) "denounce the betrayal of the promises of EDSA;"
(2) "deplore its (the regime's) hypocrisy;"
(3) "decry the treachery of this government and how readily it has surrendered our sovereignty to foreign powers;"
(4) "despite its duplicity;"
(5) "accuse this government of having no vision and no direction;" and
(6) "condemn its moral and intellectual bankruptcy."

Each of the six points is explained in detail in the first four pages of the manifesto.

The RAM-SFP statement gives the following picture of the country:

"We see our masses huddled in their hovels, hungry and dispossessed. Our bureaucracy is corrupt and inefficient. There is no peace and order. The simplest public services cannot be delivered. Our military is demoralized and shot through with politics. Our judicial system does not work. The guilty to free; the innocent are framed. Our strength is vitiated by corruption and ignorance in high places. When we protest, the government responds with arrogance and brutality. Our elections are farces, contests of force and money, or sleight-of-hand spewed by computers."

The last page lists RAM-SFP's political, economic, and social aspirations.

Under political aspirations are four objectives, namely:

(1) Promulgate a Constitution that reflects the national will, that recognizes the pluralism of Philippine society, and that will address the Filipino people's yearning for true democracy, independence, and sovereignty;
(2) Establish an effective government through free, clean and honest elections, a government that will bring about true national unity and reconciliation;
(3) Restore a professional and competent civil service; and
(4) Establish a unified, credible, and professional Armed Forces.

The economic aspirations are three-fold:
(1) Develop a national economy based on self-reliance and productivity with emphasis on self-sufficiency in the basic necessities as the foundation for balanced agricultural and industrial growth and development;
(2) Accelerate production and build infrastructure for effective distribution in the countryside with particular emphasis on transportation to include sea transport, links by sea, land, and air, and access to the hinterlands, communication and power facilities; and
(3) Operate on a balanced budget by limiting borrowing and debt servicing while improving revenue collections and making government bureaucracy cost-efficient and cost-effective.

Aquino Says Government To Resist Aid to NPA

HK2601140290 Manila Radio Veritas in Tagalog 1300 GMT 26 Jan 90

[Text] President Aquino asserted that the government will resist any attempt by any foreign country to extend help to the New People's Army [NPA]. In a statement, the president said that the Communist Party of the Philippines-NPA is slowly losing foreign support, adding that what they are still possibly receiving are funds, not weapons. Two days ago, there was a report claiming that North Korea had sent arms.

Aquino 'Dialogues' With Military Criticized

HK2401092190 Manila PHILIPPINE DAILY GLOBE in English 24 Jan 90 p 4

[Editorial: "All the President's Men"]

[Text] It is a pity that the twice-weekly "dialogues" between the Commander-in-chief and her officers are such prosaic, pedestrian affairs.

It is probably bacause of President Aquino's lack of understanding of the deep purpose of ceremony in the military tradition that she chose to meet her officers at the dinner table rather than in a martial setting.

If her aim is to inspire obedience, to rally them to her cause she'd better look to Henry IV, Napoleon, Rommel and even Patton rather than to Adalem or Ileto for counsel. A commander commands; dialogue is unknown in the military lexicon; pleading is anathema.

An army is a hierarchical society. What holds it together is unquestioning obedience to lawful authority.

This is the purpose of close order drills, parades, uniforms, emblems and symbols. An organization whose primary mission is to kill in order to defend the institutions of the state should not be regarded as if it were another government office.

One of the things that sets it apart is ceremony. By overlooking it, the President weakens the self-image of the armed forces.

Cagayan Military Starts Sweeping Revamp

HK2501050390 Manila PHILIPPINE DAILY INQUIRER in English 25 Jan 90 p 1, 12

[By Danny C. Petilla]

[Text] Tuguegarao—The military here yesterday announced the start of a sweeping revamp of officers and troops to purge the ranks of supporters of suspended Gov. Rodolfo Aguinaldo.

Maj. Gen. Ramon Montano, PC [Philippine Constabulary] chief, appointed Col. Dictador Alqueza as the new recom 2 deputy chief for operations, replacing Col. Raymundo Logan.

Logan has been temporarily assigned to general headquarters in Camp Crame.

"This might be the beginning of the revamp," said Col. Emiliano Templo, deputy chief of staff for civil-military operations.

Templo was in Tuguegarao together with Local Government Secretary Luis Santos and Col. Carlos Tanega, senior military assistant of the Department of National Defense, to oversee the installation of Alqueza and visit the 150-strong peace-keeping force of the Capital Region Command [CAPCOM].

The CAPCOM anti-riot troops were sent to the capital town last week to ensure the peaceful takeover of Vice Gov. Melvin Vargas as acting governor.

Aguinaldo's supporters, meanwhile, have scheduled a rally today in Tuguegarao, said Victor Padilla, the suspended governor's lawyer.

Padilla said the demonstration, which is timed with President Aquino's 57th birthday, was called to express the people's "indignation over the forcible ouster of their governor" and the installation of Vargas.

Padilla, who was in Manila, said the situation in Cagayan was very critical and only an immediate resolution by the Supreme Court could defuse the tension.

Aguinaldo, an original member of the now-outlawed Reform the Armed Forces Movement (RAM), was meted out a 60-day preventive suspension by Santos after he was charged with rebellion for allegedly supporting the rebels during the December coup attempt.

He defied the suspension order for 10 days before relinquishing the post last week after troops and tanks ringed the provincial capitol.

Upon taking over as deputy RECOM [Region Command] 2 Chief, Alqueza said he would strictly implement a no-firearms zone inside the 12-hectare capitol compound in Tuguegarao.

He said he would also disarm and restrict the movement of CAFGU [Civilian Armed Forces Geographical Unit] members to their area of responsibility.

An estimated 500 CAFGU's, most of them reportedly former communist rebels and now rabid supporters of Aguinaldo, are roaming Cagayan province.

"If this political imbroglio in this province is not resolved and if there will be peace and order problems spawned by political developments here, then we will come in," Alqueza said.

Alqueza said the revamp which would be undertaken in several phases will involve various units.

Brig. Gen. Pedro Sistoza, RECOM 2 chief, who is rumored to be due for reassignment, refused to talk to reporters.

Alqueza, who will now be in charge of troop deployment, intelligence and operations in the region, said he would make loyalty checks, review the troop morale and discipline, and re-orient the politicized soldiers and rechannel their energy to fight the New People's Army [NPA] guerillas. "Of course, with due courtesy to the suspended governor who does not consider the NPA as an enemy of the state," he added.

Alqueza also said he would order the investigation of Tuguegarao Mayor Delfin Ting and four of his bodyguards, who allegedly manhandled a supporter of Aguinaldo during a raid last week on the Bluepearl Management Development Corp., a firm reportedly owned by the suspended provincial executive. Bluepearl is the operator of small-town lottery in Cagayan whose license expired last September.

Alqueza, a class 1964 graduate of the Philippine Military Academy, was provincial commander of Cagayan from 1981 to 1982.

Prior to his new post, he was deputy chief for operations in Region 9, where he was assigned after the murder of Brig. Gen. Eduardo Batalla and his chief of staff, Col. Romeo Abendan, in Camp Cawa-Cawa, Zamboanga City in January last year. He trained in anti-terrorist operations in the United States.

"The President has high expectations of you, so you had better deliver," Santos told Alqueza during the turnover rites.

Aguinaldo immediately opposed Alqueza's plan to disarm the CAFGU members, saying: "How could they disarm the CAFGU? Mag-oorganisa sila ng CAFGU. Pagkatapos, because of this Vargas case, didis-armahan nila. Papaano naman sila lalaban sa NPA. E, kawawa naman sila. Napasubo lang sila just because of politics. [They organize the CAFGU. Then they disarm them because of this Vargas case. How will they fight the NPA? They are in a sorry state. They got involved in this unwillingly, just because of politics]."

Aguinaldo said the military revamp was the result of a political decision imposed by the rich minority to the prejudice of the poor.

600 Families Flee From Maguindanao Clashes

HK2501044790 Manila PHILIPPINE DAILY INQUIRER in English 25 Jan 90 p 7

[By Ali Macabalang]

[Text] Cotabato City—Some 600 families have fled their homes in Buluan, Maguindanao, for fear of their lives in the recurring armed skirmishes between members of two Moro rebel fronts in the area, authorities reported yesterday.

Army's 603rd Brigade chief Brig. Gen. Orlando Soriano said that "Rido" (local term for Vendetta killing) led some individual members of the Moro National Liberation Front [MNLF] and the Moro Islamic Liberation Front [MILF] to clash anew Monday at Barangay Damalusang in Buluan.

Soriano said the sporadic armed skirmishes between some 40 MNLF members led by Commander Taps and an equal number of MILF troops under Commander Bayam continued to drag up to press time yesterday prompting the mass evacuation.

He said residents have reported several casualties in the raging gunbattles, but the figures could not be ascertained because both warring parties were keeping their slain or wounded comrades.

Local personnel of the Department of Social Welfare and Development (DSWD) told reporters that the warring parties had allegedly burned "almost all" houses in Barangay Gamalusang, Upper Delag and Lower Delag in Buluan.

Buluan-based DSWD staff Nestor Lemba said: "Ilindi mapigilan and pagkakasunog ng mga bahay dahil hindi malapitan ang mga naglalabanang mga armado." [The burning of houses cannot be prevented because we cannot go close to the fighting armed rebels.]

Reacting to the military's and Lemba's reports, DSWD regional director Kunesa Secae ordered yesterday the distribution of the relief goods to the displaced farmilies numbering at least 2,000 persons now sheltered in Buluan poblacion.

The military blamed the skirmiskes to long-standing family feud between the warring rebel groups' leaders and their political allies, even as local leaders asked the national leadership to find solutions to the problems.

Accord on Mindanao Project Signed With EC

HK2501043790 Manila BUSINESS WORLD in English 25 Jan 90 p 6

[Text] European Community [EC] Commissioner Abel Matutes and Foreign Affairs Secretary Raul Manglapus yesterday signed the financing agreement for the Southern Mindanao Agricultural Program (SMAP), representing the latest major EC development grant for the Philippines.

Under this agreement, the EC will provide a 16.5 million ECU (approximately P440 million pesos) grant for a five-year program of rural micro-projects in three upland areas of Southern Mindanao.

The areas covered by the project will include the Upper Davao River Basin (Davao City), the southern Mount Apo Range (Davao del Sur), and the T'Boli Homeland (South Cotabato). The Philippine Government will provide counterpart funding amounting to P35 million.

The SMAP program will emphasize small-scale community-based rural development activities, including improvements both in rural production and in rural infrastructure. Particular emphasis will be placed on strengthening local development capabilities (including community and farmers' groups as well as local government and non-government organizations), and on promoting the use of environmentally sound upland agricultural technology.

The project will fall under the overall responsibility of the Department of Agriculture [DA] and will be implemented by an autonomous project office to be established by the DA in Davao City. Throughout the detailed preparation and implementation of the project, emphasis will be placed on community consultation and participation and on a flexible and rapid response to the needs identified by the communities themselves.

Aquino Welcomes Support

HK2601094890 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Jan 90

[Report from Malacanang by Vic Pambuan of Mobile Unit 13]

[Excerpt] President Corazon Aquino praised the continued confidence of the EEC 12-member nations in the country's democracy, as manifested by their contribution to trade and investment. In her message during a luncheon party given in honor of EEC Commissioner Abel Matutes in Malacanang, the president said if the EEC permanently assigned a delegation to the Philippines, it would be concrete proof of its trust in the Philippines' ability to improve its economy in the very near future. The president also honored EEC Commissioner Matutes with the Order of Sikatuna award. [passage omitted]

Aquino Says New Loans Will Address 1990 Needs

HK2401085590 Manila MANILA BULLETIN in English 23 Jan 90 p 21

[By Ernesto Tolentino]

[Text] President Aquino said yesterday that the $750 million in "new money" committed to the Philippines by a syndicate of foreign bank creditors would be enough to address our need for this year."

Saying that she would, of course, have wanted more, the President said that she has been told by her economic advisers that the "$750 million (in fresh commercial loans) or a figure close to that amount will be enough for this year..."

The Chief Executive made the comment on the fresh commercial loans being tapped by the country in response to a question on whether the "lower-than-target" loan commitment was a result of the failed coup attempt last December.

A government panel of debt negotiators had earlier set at $1 billion the amount of fresh commercial loans they said would try to raise for the country this year in their talks with the creditor banks.

Philippine attempts to raise the entire amount was however frustrated by "market resistance" with majority of the potential creditor banks having decided to reduce their overseas compliance.

This prompted the negotiators to lower their target from $1 billion to $700-$750 million.

A number of foreign banks has committed to extend a total of $612 million in fresh loans this year.

The availment of the fresh loan was a component of the new financing program which the government negotiated with the 12-man Advisory Committee, which represented the more than 400 bank creditors of the Philippines.

The pact also provided for a debt buyback scheme, under which the Philippines was allowed to buy at 50 percent discount some $1.3 billion in existing commercial obligations. This scheme was funded by more than $800 million in loans from the International Monetary Fund (IMF) and other official loan sources.

Also covered by the financing pact was the restructuring and re-pricing of the 1985 "new money" arrangement and public corporate debt.

Statistics Report on 1989 Trade Deficit

HK2601061390 Manila MANILA BULLETIN in English 26 Jan 90 p 25

[By Raul Valino]

[Text] The country's trade imbalance has more than doubled, to $2.4 billion from a deficit of $1.1 billion in 1988, the National Statistics Office (NSO) reported yesterday.

Last year's 11-month balance of trade deficit was one of, if not the biggest gap the country has ever recorded. In 1987, the comparative shortfall amounted to only $962 million.

Export receipts as of November 1989 amounted to $7.1 billion, up 11.6 percent, but import payments soared to $9.5 billion, an increase of 26.9 percent.

In November alone, the trade deficit hit $251 million, against the gap of $91 million in the same month of the preceding year and $40 million in 1987.

Exports in November, the NSO said, amounted to $642.29 million, up 5.4 percent from the comparative level of $609.63 million in the same month in 1988.

Imports, meanwhile, jumped by 27.6 percent in November last year, from $700.20 million to $893.16 million.

The top five export earners in November last year were articles of apparel and clothing accessories, $137.24 million, up 25.5 percent; electronics and components, $106.42 million, down 0.5 percent; crude and refined coconut oil, $45.78 million, up 47.8 percent; unworked, unpolished and uncoated copper bars, rods and slabs, $29.65 million, up 57.4 million; and woodcraft and furniture, $22.21 million, up 21.4 percent.

The next major exports in November last year were copper concentrates, $17.11 million, down 34.1 percent; fresh, chilled and frozen shrimps and prawns, $16.27 million, down 31.2 percent; fresh, frozen, prepared or preserved tuna in airtight containers, $13.17 million, up 5.4 percent; pineapple and pineapple products, $11.10 million, up 13.3 percent; and fresh bananas, $10.54 million, down 6.7 percent.

Trade Surplus With U.S. Appears Imminent

HK2601061490 Manila BUSINESS STAR in English 26 Jan 90 p 2

["Indicator" column by Nerissa M. Quizon: "RP (Republic of the Philippines) Garners $756 Million in Trade Surplus From the U.S."]

[Text] The Philippines seems headed for another trade surplus in 1989 with the U.S. its major trading partner and leading source of foreign exchange earnings, data from the National Statistics Office (NSO) indicate.

According to figures from the agency, a $755.5 million surplus has been achieved by the country in its trade relations with the U.S. in the first 10 months of last year. Unless reversed in the last two months of 1989, it will be the seventh consecutive year that the Philippines will have gained a surplus in its dealings with the Americans.

Moreover, it seems likely that the 1988 trade surplus of $808 million will be surpassed. The NSO said that the country's exports to the U.S. for the first ten months of 1989 already yielded about $2.4 billion in revenues, only $127 million short of the year-round 1988 earnings.

Per NSO records, the Philippines' trade balance with the U.S. started to be in the black from 1983 onwards. Since 1979, at least as far as NSO figures cover, the country has been suffering continual deficits.

Philippine-U.S. trade reached a peak point in 1988 when the latter accounted for $2.5 billion or 35.2 per cent of the former's aggregate export earnings of $7.1 billion.

But despite such a hefty U.S. share of local export earnings, the Philippines remains a negligible trading partner of the economic and political superpower.

The Philippines, for one, ranked a mere 23rd among exporting countries traidng with the U.S. in 1986. This was two levels lower than the 21st position it occupied in 1984 and 1983 but definitely higher than its 27th place in 1979.

Electronic components constitute a big bulk of the exports the U.S. absorbs from the Philippines. In 1988 alone, the country sold $569.151 million worth of electronics to the U.S. about 43 per cent of the $1.318 billion earned from electronics that year.

Other popular Philippine exports to the U.S. are garments and textile items such as gloves and mittens, men's and boy's trousers, yarn, suits, outwear apparel, sweaters and undergarments, according to the Department of Trade and Industry (DTI) said.

Aside from electronics and garments, the following local products are also popular in the U.S.: fixed vegetable oils; furniture and parts of furniture; fruits and nuts; watches clocks and parts thereof; sugar and syrups; shellfish; footwear; electrical machinery and apparatus; telecommunications equipment; and coffee.

The DTI's Bureau of Export Trade Promotion, meanwhile, said that consumer manufactures such as gifts, toys and housewares, fashion accessories and leathergoods, food and food preparations, industrial manufactures like semi-conductor devices and joineries, and services like computer software, data entry and film animation have bright sales prospects in the U.S. market.

Japan Agrees To Cut ASEAN Lending Rate

HK2601061290 Manila BUSINESS WORLD in English 26 Jan 90 p 1, 5

[By Ma. Liza A. Solano]

[Text] The Japanese Government has "agreed in principle" with the proposal of the Philippines to lower the lending rate to end-users of the Association of Southeast Asian Nations-Japan Development Fund (AJDF) to 2% below the prevailing market rate.

This was disclosed yesterday by Trade and Industry Secretary Jose S. Concepcion Jr., who recently came back from a dialogue with top Japanese government officials in Tokyo.

However, Sec. Concepcion clarified that the Japanese Government is still waiting for the Philippine Government's formal proposal.

To date, the Philippines is the only ASEAN member country that has not yet availed of its share of the $2-billion fund committed three years ago by Japan to five ASEAN members.

Differences with Japan in some terms in the utilization of the fund, particularly the interest rate to be charged to end-users, have delayed the Philippines' participation in the financial cooperative program.

The country has a $358-million share in the program, composed of $275 million to be contributed by the Overseas Economic Cooperation Fund (OECF) and $83 million from the Export-Import Bank of Japan.

The Japanese Government has been steadfast in its stance against market-determined rates proposed by the Philippines, preferring fixed, concessional interest rates.

Earlier, the Philippine Government was considering a two-tiered interest rate plan. The plan involves the setting of commercial interest rates for AJDF loan proceeds for regular industries and concessional rates for strategic and small- and medium-scale enterprises.

The 2 per cent-below-market-rate proposal seems to be a further softening on the part of the Philippines. Sec. Concepcion said Japan has remained adament against market-determined interest rates.

Finance Undersecretary Ernest Leung Shad earlier indicated that both the Philippine and Japanese governments were working on mutually acceptable terms to facilitate the immediate release of the long-delayed fund.

Infrastructure

Meanwhile, more soft loans would be available for infrastructure projects to be implemented under the Build-Operate-Transfer (BOT) scheme.

Sec. Concepcion said the Japanese Government has committed to provide soft loans through the OECF for BOT projects, which would include roads, power, and telecommunications. However, he said the amount to be committed has yet to be decided on.

Japan has already extended some P18 billion under the 16th Yen Loan package.

Trade Gap With Hong Kong Balloons in 1989

HK2501044590 Manila BUSINESS STAR in English 25 Jan 90 p 2

[By Rica D. Delfinado]

[Text] The country's trade deficit with Hong Kong ballooned by more than 1,000% during the first 10 months of 1989 from year-ago levels, latest Central Bank (CB) statistics indicate.

The CB data show the Philippines' balance of trade (BOT) gap with the Crown Colony widening to $144 million in January to October 1989, from the $13 million of the previous year.

Last year's deficit was the biggest since 1986 when the country's imports-exports equation with the Chinese territory stood at $42 million in favor of Hong Kong. This improved in 1987 and 1988 when the gap deflated respectively to $33 million and $28 million.

Last year's deficit arose when imports from overtook exports to Hong KOng due to the country's import liberalization program (ILP), with the former logging $397 million and the latter, $253 million. The CB data indicated that imports from the Colony rose 6.155 per cent from the $374 million of 1988 while exports dropped 26.9 per cent from the year-ago level of $346 million.

The country's exports to Hong Kong include such consumer manufactures as garments, gifts toys and hardware, fashion accessories and travel goods.

The bulk of exports, however, is made up of food and food preparations, industrial manufactures and traditional and non-traditional resource-based products.

Notwithstanding the trade gap, Hong Kong remains the country's number one export market in Asia.

Hong Kong was already the leading market for Philippine goods in the entire Asian region in 1988. According to the Department of Trade and Industry (DTI), Hong Kong that year absorbed 26 per cent of all Philippines exports to Asian markets. The equivalent in export earnings in real terms—$346 million—was 24.01 per cent higher than the $279 million realized in 1987 and 60.2 per cent higher than the $216 million posted in 1986.

The uptrend in the country's export performance in the Hong Kong market over the past four years, however, has been offset by a parallel rise in imports during the same period.

From only $258 million in 1986, the country's imports form the Crown Colony grew to $312 million in 1987, $374 million in 1988 and finally, to the figure for the first 10 months of 1989.

Meanwhile, the DTI had estimated that total Philippine exports to Hong Kong would reach $388 million by end-1989. Industrial manufactures were expected to grab the lion's share of total external receipts, at $234 million or 60 per cent of the total, with consumer manufactures coming in a far second, at $48 million by last year's end.

Food and food preparations are projected to account for last year's export earnings of $29 million or 7.4 per cent of the to[illegible].

Statistics Reveal Excess of Imports From Canada

HK2601061890 Manila BUSINESS STAR in English 26 Jan 90 p 2

["Indicator" column by Nerissa M. Quizon: "Excess Imports from Canada Yield Deficit; 1988 Gains Wiped Out"]

[Text] Philippine trade with Canada was already beginning to perk up in 1988 but this trend was broken during the first nine months of last year when Philippine trade with the North American country generated a deficit of $17 million in favor of the latter.

According to data from the National Statistic Office (NSO), total Philippine trade with Canada from January to September 1989 amounted to $205.88 million, 9.16

more than the level of $188.60 million attained during the entire previous year.

This improved Canada's rank as a trading partner of the Philippines (based on export receipts) from 16th to 13th while placing the latter lower than 44th in 1988.

The Philippine disadvantage arose when imports from Canada overtook the country's exports, with the former standing at $144.44 million and the latter, at only $94.44 million.

The resulting deficit of $17 million wiped out most of the $26.80 million surplus which the country gained from trade with Canada during the entire 1988 period.

The overall downswing can be traced further to the 27.4

hike in the import receipts the country paid Canada during the reference nine-month period last year.

Per the NSO records, the country bought $111.44 million worth of Canadian goods during the period, $30.54 more than the $80.90 million in goods and commodities purchased from that North American market in 1988.

This is in contrast to Philippine export receipts from Canada, which dropped by $13.26 million or 14

from $107.70 million in 1988 to $94.44 million in the first nine months last year.

Last year's deficit was the fourth incurred by the country in trading with Canada since 1978. Based on available data, the deficit is also the highest thus far during the 10 year and nine-month period.

The first Philippine trade gap with Canada during the period surfaced in 1980, at $4.4 million. This increased to $9.9 million in 1982 then dropped to $1.1 million in 1987. In 1988, Philippine-Canadian trade turned in favor of the former when the surplus of $26.80 million was realized.

Canada, throughout the 10 year and nine-month period, maintained relatively high rankings as a trading partner of the Philippines on the basis of the latter's export receipts. From 1978 to 1982, Canada was 18th in the list of countries to which the Philippines sold its goods. This improved to 13th in 1983 and 1984, after which it dropped one notch to 14th in 1985. In 1986, Canada's grade went back to 13th before dropping to 15th and 16th in 1987 and 1988. During the first nine months of 1989, Canada was back again to the 13th place.

In contrast, the Philippines' ranking as a trade partner of Canada in terms of import receipts had gone lowest to 61st in 1987 and to highest, at 26th, in 1980. In 1988, the Philippines' was 44th as a trade partner of Canada in terms of the latter's imports from this country.

This trade rank comparison shows Canada as playing an influential role in Philippine trade even as it considers the Philippines among its least trading priorities. Such a situation may be due to the smaller number and types of local products which have found their way into Canada.

According to the NSO, the ten most popular Philippine products in Canada are articles of apparel and clothing accessories; electrical machinery equipment and parts thereof; vegetable, fruits and nuts preparation; meat, fish and crustacean preparation; clocks and watches and parts thereof; animal, vegetable fats and oil and their cleavage products; articles of leather, saddlery/harness, and travel goods; edible fruits and nuts and peel of citrus fruit or melons; and furnitures, especialy beddings, mattresses, mattress support and cushions.

The Department of Trade and Industry (DTI) said that are still other Filipino products which can be promoted in the Canadian market. These include plastics and articles thereof: natural/cultured pearls, precious stone and metals, coins; toys, games and sport requisites; footwear, gaiters and the like; beverages, spirits and vinegar; cocoa and cocoa preparation; soap and washing preparation; live tree and other plants, bulb, root, and cut flowers; and musical instruments, parts and accessories of such articles.

Competition, however, in the shipment of these products to Canada is now being provided by Singapore, Malaysia, China and Indonesia.

Senators Proposes 1991 Presidential Election

HK2601104290 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Jan 90

[Report by Cesar Chavez of Mobile Unit 9]

[Text] The national and local elections are to be held simultaneously during the second week of May 1992. At that time, voters will have to write down 47 names of the officials of their choice on a single ballot. They have to elect candidates whom they want to serve as barangay, municipal, provincial, and congressional officials, as well as the the vice president and president of the country. Senators Rene Saguisag, Butch Aquino, Ernesto Maceda, and Ernesto Herrera, however, said that such an electoral system is not practical. In this regard, the four senators proposed that the national election be held as early as November 1991 to elect the president, vice president, and members of Congress, and to hold local elections in November 1992. Here is Senator Maceda:

[Begin Maceda recording in English] I suggest that we go back to the old system of holding November elections, but I do not think it would be right for us to use this as an excuse to extend our term from July 1992 to January 1992 [dates as heard], which would be the result if we changed the date of the elections from May 1992 to November 1992. Therefore, the more logical proposal is to move up the national elections to November 1991 and to assume office January 1992. [end recording]

Maceda recommended that the Constitution be amended and that the proposal for a 1991 presidential election and 1992 local elections be passed.

[Begin Maceda recording in English] You have to come to constitutional amendments with both houses agreeing. But I am proposing it for purposes of discussion. I believe it's a good thing to promote at this time. [end recording]

Thailand

U.S. Official, Sitthi Discuss Cambodian Issue

BK2501072790 Bangkok Domestic Service in Thai 0530 GMT 25 Jan 90

[Text] At the Foreign Ministry this morning, Foreign Ministry Deputy Spokesman Suraphong Chaiyanam briefed reporters on the results of a meeting between Foreign Minister Air Chief Marshal Sitthi Sawetsila, and visiting U.S. Assistant Secretary of State on Asian and Pacific Affairs David Lambertson. The U.S. visitor informed Sitthi of the U.S. attitude toward the 16-point statement issued at the recent meeting of the permanent members of the United Nations Security Council. Lambertson said the United States regards the current political and diplomatic developments on the Cambodian problem as very interesting and pleasing.

The U.S. representative said that, at present, the Cambodian factions seem to have softened their stances toward each other, which should bring about positive results in the efforts to hold talks for a comprehensive political settlement of the Cambodian problem. He said that because of this, the talks should be more successful in the future. The U.S. representative said that the United States wants to see the United Nations play a major role, not just a symbolic role, in resolving the Cambodian problem seriously and extensively.

On the same occasion, Sitthi informed the U.S. official that the ASEAN countries will hold a meeting among their senior officials to discuss to what extent and in what way ASEAN wants the United Nations to contribute to solving the Cambodian issue. The meeting will be held on 13 February in Kuching, Sarawak, East Malaysia.

At the end of the talks, Sitti reiterated to the U.S. representative that the Thai Government supports the 16-point statement issued by the permanent members of the UN Security Council, because Thailand is confident that such a statement is very important and will help push forward the negotiations process for peace in Cambodia.

Sitthi Reaffirms Support for Sihanouk

BK2501120290 Hong Kong AFP in English 1147 GMT 25 Jan 90

[Text] Bangkok, Jan 25 (AFP)—Thailand reaffirmed its support for Prince Norodom Sihanouk Thursday [25 January] as a major player in the Cambodian conflict despite his resignation as Cambodian resistance leader, a Thai Foreign Ministry official said. Thai Foreign Minister Sitthi Sawetsila restated his country's support for the former monarch in a meeting with visiting U.S. Assistant Secretary of State for Asian and Pacific Affairs David Lambertson, the official said.

Prince Sihanouk in a statement released by his office here Thursday dissociated himself from his Marxist allies the Khmer Rouge, who form the strongest faction of the Cambodian resistance coalition fighting a Vietnamese-installed regime in Phnom Penh. But the prince also lashed out at the Phnom Penh regime as being composed of "stooges of Vietnamese colonialism."

The prince resigned Wednesday as head of the uneasy coalition which, holding Cambodia's seat in the United Nations, groups the two non-communist guerilla factions led by the prince and former Prime Minister Son Sann with the Marxist Khmer Rouge. The prince had previously said the Khmer Rouge, blamed for the deaths of hundreds of thousands of people when they ruled Cambodia from 1975-79, were too powerful to exclude from a future coalition government in Phnom Penh.

"Thailand still respects the decisions of Prince Sihanouk as he has a role in the Cambodian issue," the official quoted Mr. Sitthi as saying. Mr. Lambertson told Mr. Sitthi Washington "wants to see the United Nations play a major role, not just a symbolic role, in resolving the Cambodian problem," Radio Thailand reported. Mr. Sitthi said Thailand supported a recent statement by the five permanent members of the U.N. Security Council calling for an "enhanced role" by the U.N. in ending the 11-year-old war in Cambodia, the radio said. The five—Britain, China, France, the Soviet Union and the United States—met last week after Australia proposed an interim U.N. administration rule in Cambodia to pave the way for elections and vacate Cambodia's U.N. seat.

Mr. Lambertson arrived here late Thursday [as received] from Kuala Lumpur after a brief tour of non-communist Southeast Asian countries that has taken him to Manila, Singapore and Jakarta, a Foreign Ministry official said.

The United States and Thailand both support the former monarch as head of state of a quadripartite government in Phnom Penh which would group the three resistance factions with the leadership installed by Vietnam in 1979. Vietnam invaded Cambodia in late 1978 to oust the Chinese-backed Khmer Rouge.

'Lukewarm' Response to Hun Sen's Peace Plan

BK2601011190 Bangkok THE NATION in English 26 Jan 90 p 2

[Text] Cambodian Prime Minister Hun Sen's latest peace proposal for his country received a lukewarm reception yesterday from Thai Foreign Ministry officials, who said the formula had already been floated by a senior Vietnamese official at a seminar in Chiang Mai.

A ministry source said yesterday that Vietnamese Deputy Foreign Minister Tran Quang Co had earlier this month suggested the same proposal, which calls for maintaining the Cambodian factions' zones of control while putting governance of the country in the hands of the United Nations. Co was in Chiang Mai to attend the Williamsburg conference on security and international studies.

Describing Hun Sen's proposal as a "peace offensive," the source said the Cambodian premier wanted to put political pressure on the resistance and the West at a time when resistance forces have made gains within the country.

"Hun Sen wants to win international support for his regime by showing that he wants peace while the resistance is a warmonger," said the source, who asked not to be identified.

The source added that Hun Sen's move was also aimed at demonstrating that resistance leader Prince Norodom Sihanouk had failed to do anything to stop the escalating war in Cambodia.

Sihanouk quit all his resistance positions on Wednesday, maintaining only the title of head of state of the Coalition Government of Democratic Kampuchea (CGDK), recognized by the United Nations as the legitimate government of Cambodia.

The source said he believes Hun Sen now wants to bring concerned countries to the negotiating table by proposing concessions he knows the resistance would not accept. The resistance coalition government is likely not to take up the most recent proposal of UN governance, which was originally proposed by Australia.

Another scenario proposed by Australia calls for both the Phnom Penh and the resistance governments to be dismantled to pave the way for a UN team to administer the country and organize general elections.

"I don't think anybody will take Hun Sen's peace plan seriously. It will not affect the agenda of the ASEAN senior officials meeting," he said.

The meeting, which will be held on February 13 in Kuching, the capital of Malaysia's Sarawak State, will formulate a common ASEAN position on a UN role in a Cambodian peace settlement.

Column Criticizes Politicians' Cambodia Petition

BK2201125690 Bangkok THAI RAT in Thai 22 Jan 90 p 3

["Chalam Khieo" column: "Presumably Wrong Approaches"]

[Text] It is rather monotonous to talk about the Cambodian conflict. In any event, Thailand cannot escape the problem because it is the only country in the world affected by this war that has nothing to do with it.

Lately, there have been a series of quick efforts to find ways to resolve the Cambodian conflict, particularly when the United Nations literally jumped into the scene following Australia's proposal for a temporary UN administration in Cambodia until general elections are held.

The Australian proposal seriously intends to exclude all leaders of the Cambodian factions from any administrative bodies. In a country, there must be an institution that takes responsibility for the laws. Therefore, it is necessary to establish a national ruling council in which the participation of all four Cambodian factions has been proposed, excluding Sihanouk, Sonn San, and Hun Sen.

The administrative party or the government will be the responsibility of the United Nations.

At present, details are being worked out on who will compose the administrative party and on the international control mechanism to assure law and order and supervise the cease-fire in Cambodia.

The size of the UN administrative party will depend on the outcome of bargaining with Hun Sen, because he wants his men from the ranks of village headman, community leader, and district chief up to provincial governor included in the organization.

Why have Vietnam and Hun Sen accepted the proposal for a UN administration of Cambodia after they strongly opposed it during the Paris international conference on Cambodia?

They have accepted it because the Hun Sen soldiers have not been able to cope with the Khmer Rouge's heavy offensive. The Khmer Rouge troops have advanced as far as Battambang, only one step away from Phnom Penh.

Hun Sen has to accept the idea because of disadvantages on the battlefield. His tanks would not move, and his soldiers would not be cheerful.

While Hun Sen is suffering a setback, a new incident has cropped up in Thailand, puzzling all parties concerned.

A total of 90 MP's signed their names on a petition to the government calling on it to change its role in four ways: 1) to not allow any Cambodian factions to use Thai territory as a military operational base; 2) to not allow the refugees in Thailand to support warfare; 3) to not allow any factions to use Thailand as a route for moving troops, weapons, or food supplies; 4) and to speedily repatriate 300,000 refugees.

The question for all 90 MPs, 41 of which are from the Chat Thai party, is: Are these approaches right?

Is there any evidence that Thailand has ever allowed any Cambodian factions to use Thai territory as a military operational base? Is there any evidence that Thailand has ever allowed any factions to move their troops, weapons, or food supplies through its territory?

Are you accusing your own country of these actions?

I have often heard the points you are raising in the petition to the government. They are the sort of accusations that Vietnam has repeatedly made against Thailand.

Talking about sovereignty over territory, it is the Armed Forces' duty and responsibility to not allow anyone to use Thai territory for military operations.

Military strategies in line with the government policy are sometimes not comprehensible to civilians and sometimes cannot be publicized. Many of you are in the government coalition parties. Did you ever consult your parties before making this move?

If you want to trade with the Cambodians or do business with the Vietnamese, go ahead, but whatever you do, you must also think of your country.

Editorial on Better Peace Prospects for Cambodia

BK2301110390 Bangkok THAI RAT in Thai 23 Jan 90 p 3

[Editorial: "Toward Peace in Cambodia"]

[Text] Many observers are of the opinion that current diplomatic moves are making it possible for the prospect of peace in Cambodia to move much closer to reality. This is because many of the parties concerned have softened their stiff stances.

A significant development is the resolution adopted at a meeting of the United Nations Security Council's permanent members—the United States, the Soviet Union, China, England, and France—which supports Australia's proposal to allow the United Nations to temporarily administer Cambodia following the dissolution of all existing governments in Cambodia, including the Phnom Penh government, and to oversee general elections in order for a new government to be formed.

A noteworthy development is that both superpowers, the Soviet Union and China, whose roles in the Cambodian conflict are important, have agreed that the United Nations should have a greater role in ending the war in Cambodia.

The Soviet Union and China are in the position of having enough influence to pressure the different Cambodian factions to compromise with each other due to the fact that the Soviet Union supported Vietnam in its attack on Cambodia and has assisted the Phnom Penh government from the start, while China has continuously supported the Cambodian resistance, especially the Khmer Rouge, both with arms supplies and through diplomatic channels since the start of the Cambodian conflict.

Soviet Foreign Minister Eduard Shevardnadze said in a recent interview that the situation in Indochina has completely changed following the Vietnamese troop withdrawal from Cambodia. He said that the Soviet Union agrees with the peace initiatives proposed by Australia and Thailand, and therefore, urges all of the parties concerned to support a cessation of the bloody war in Cambodia.

Another development is the change of stance by the Phnom Penh government, which had strongly refused to accept a UN role. Lately, there have been reports that Premier Hun Sen has accepted the Australian proposal to allow the United Nations to administer Cambodia temporarily after a cease-fire, but has not yet agreed to a few details in the proposal.

Many parties are optimistic that during the next round of informal meetings in Jakarta, or JIM 3, possibly to be held in late February, the leaders of all four Cambodian factions can reach national reconciliation for the sake of peace in Cambodia, which is desired by all parties—particularly by the Cambodian people, who have not tasted the sweetness of peace for 2 decades.

Minister Approves Thai-Indochina Academic Meet

BK2201025990 Bangkok THE NATION in English 22 Jan 90 p 7

[Text] The Foreign Ministry has approved a plan by a non-governmental organization to organize an academic meeting here between Thailand and the Indochinese countries in March, a move seen as a sign of further easing of the once-strained relations with the neighbouring socialist bloc.

The meeting, to be organized by the Sathiankoset and Nakhaprathip Foundation under the title "Indochinese-Thai dialogue," will be a forum for scholars from the four countries to exchange views on religious, cultural and social issues.

But final approval from the military for the meeting is still needed. It would be the first meeting of its kind to be held in Thailand.

According to a member of the organizing committee, the foundation hopes to use the forum to establish long-term contacts in the education and culture fields between Thailand and the Indochinese countries of Laos, Cambodia and Vietnam.

The Sathiankoset and Nakhaprathip Foundation, run by Khunying Somsi Sukhumalanan, daughter of the late Phraya Anumanratchathon, one of modern Thailand's best-known royal scholars, and social critic Sulak Siwarak, is a private organization for the promotion of cultural and educational activities in Thailand. Its members include many social activists.

Participants at the Indochinese-Thai dialogue will include about 20 academics from Thailand, Vietnam, Laos and Cambodia.

Of the eight Cambodian representatives expected at the forum, five will be from Phnom Penh and three from the Site 2 border camp in Prachinburi, which is controlled by the anti-Phnom Penh resistance.

Buddhist monks will be among the participants sent from Phnom Penh and Vietnam.

The Foreign Ministry's Deputy Spokesman Suraphong Chaiyanam said yesterday that the ministry approved the meeting on the grounds that it would help create a "good atmosphere" and strengthen interpersonal contact within the region.

He said the meeting corresponds with the recent shift in Thai policy calling for closer ties with the Indochinese neighbours.

Suraphong said the ministry had ordered Thai embassies in Vientiane and Hanoi to issue visas for Lao and Vietnamese representatives joining the meeting. It also recommended that the Interior Ministry and the Immigration Division issue border passes for representatives from Phnom Penh.

Thailand has no diplomatic relations with the Phnom Penh government.

The same organizing committee member said they are waiting for final approval from the Supreme Command and the National Security Council, the two agencies directly responsible for the security aspects of Thailand's relations with socialist countries.

Cabinet Approves Proposal for Burma Trade

BK2401013790 Bangkok BANGKOK POST in English 24 Jan 90 p 3

[Text] The Cabinet yesterday approved a Commerce Ministry proposal to set up a Thai-Burmese Joint Trade Commission to promote trade with neighbouring Burma.

Commerce Minister Subin Pinkhayan will act on behalf of the Government to sign an agreement with his Burmese counterpart to form the commission when he visits Burma from February 1-3.

Burmese Army Admits Killing Thai Villager

BK2201024190 Bangkok THE NATION in English 22 Jan 90 p 2

[Text] Tak—The Burmese Army yesterday pleaded guilty of murdering a Thai villager but maintained that the man had been mistaken as a member of one of the insurgent armies active along the two countries' border.

The message was conveyed by Maj Mya Maung Htun, deputy commander of the 97th extension battalion in Myawadi, to a visiting Thai delegation who crossed the Moei River into Burma for a hearing on the murder.

Thailand had demanded that Rangoon pay Bt50,000 as compensation for the Wednesday murder of Prawat Phapthip, a 33-year-old Thai villager from Ban Mae Kon Ken opposite Palu, a former Karen stronghold now under the control of Burmese troops.

Mya Maung Htun informed the leaders of the Thai team, Mae Sot district chief Pilot officer Punchai Niamwatthana and Maj Chawalit Chunpaksan, chief of the Thai-Burmese coordination office in Mae Sot, that he still could not respond to the compensation demand as an investigation had yet to be conducted. The request has already been forwarded to senior Burmese authorities.

However, the deputy commander said an initial Burmese investigation showed that Prawat had been shot at by Burmese forces inside Burma. The troops thought he was an insurgent who had sneaked into Burmese territory to plant a booby trap, he said.

Mya Maung Htun said it was later learnt that a Thai was shot on the Burmese side and crossed the Moei River back to Thailand where he died.

But Maj Chawalit yesterday said he wanted Rangoon to take into account the fact that the villager was not armed and was not wearing any sort of military uniform. District Chief Punchai insisted that Rangoon had to pay Prawat's relatives for the murder.

Mya Maung Htun yesterday also denied an earlier Thai report that the murder was an act of revenge by Burmese troops for an earlier incident when they were investigated for demanding a Bt35,000 ransom for the release of five Thais they had kidnapped.

The murder prompted Mya Maung Htun to reiterate an earlier request that a Burmese team be dispatched here to cooperate with its Thai counterpart in overseeing common border problems.

—Meanwhile, about 200 dissident Burmese students on Friday moved from their regular camp in the vicinity of Thay Baw Bo, a Karen black market outpost, to a Muslim camp about five kilometres further south, as Burmese troops approached their living area, a student leader said.

House Committee Urges Shift in East Bloc Policy

BK2501014590 Bangkok BANGKOK POST in English 25 Jan 90 p 4

[Excerpt] The House Foreign Affairs Committee yesterday urged the Cabinet to approve changes to immigration regulations for East European citizens entering Thailand in line with political changes taking place in those countries.

Committee spokesman Sutham Saengprathum (Solidarity, Nakhon Si Thammarat) said the committee, scheduled to tour seven East European countries from the end of March to the middle of April, called on the Government to act quickly.

Ambassador Wikrom Khumphairot, attached to the Foreign Ministry, briefed the committee on East European developments, noting rapid political changes were the result of the perestroyka and glasnost policies introduced by Soviet leader Mikhail Gorbachev.

Mr Sutham said the committee considered democratisation and opening up of Eastern Europe was good, with far-reaching implications for other regions. Thailand should also adjust the thinking of its foreign affairs personnel and its policy towards Eastern Europe.

Mr Wikrom reportedly replied that the Foreign Ministry was already doing this and was already changing many regulations concerning immigration procedures for citizens of those countries. In the past, East Europeans had to apply for a visa with the Thai Embassy and have their applications checked by the National Security Council.

The committee called on the Cabinet to approve the changes before the East European trip and was assured by Mr Wikrom this was likely, Mr Sutham said.

Mr Sutham said the committee was also organising a seminar on opening Thailand's border with Laos in Nan Province from March 7 to 9. [passage omitted]

Convict Transfer Agreement Signed With UK

BK2201144190 Bangkok Army Television Channel 5 in Thai 1300 GMT 22 Jan 90

[Text] A ceremony was held at the Foreign Ministry this morning to sign an agreement between Thailand and the United Kingdom of Great Britain and Northern Ireland on the transfer of convicts and cooperation on the enforcement of criminal sentences. Foreign Minister Air Chief Marshal Sitthi Sawetsila and Lord Brabazon of Tara, British Foreign Office minister of state, signed on behalf of their respective governments.

The agreement will permit Thai convicts in Hong Kong and the UK to serve their sentences in Thailand, and British convicts in Thailand to serve their sentences in the UK or Hong Kong. The agreement will become effective on the date of the exchange of ratification documents, which will take place soon.

Army Radio Warns of New Communist Party Faction

BK2301093490 Bangkok 1st Army Division Radio in Thai 2300 GMT 22 Jan 90

["Sayamanusati" feature]

[Excerpt] Many listeners probably have followed the decay of the communist system in East Europe and other parts of the world. Those of you who dislike the communist system probably feel that the system has now reached the point of extinction. This thinking is partially right, but not wholly right. This is because the communist intention to transform the world into a communist society remains unchanged. What has changed merely amounts to a policy adjustment to suit the current situation.

As long as the communist parties in Laos, Cambodia, Vietnam, China, and the Soviet Union remain undissolved, the Communist Party of Thailand [CPT] will continue to exist. In particular, the communist parties in Indochina are readjusting themselves to the situation. As soon as they successfully readjust, they will pose a greater threat to our country.

Those of you who follow the activities of the communist parties along the Thai border probably already realize that these parties have never relented on their activities for the sake of improving the climate of friendship and would continue their exploitation in accordance with the communist method of operations. Some of their stances may change as dictated by the situation, but their main ideology never changes.

Worse yet, the new CPT faction, which has switched loyalty to the Indochinese communist party, has regularly continued its activities along the Thai-Lao border. Last month, the guerrillas of the new CPT faction crossed into Don Tan District, Mukdahan Province, to meet with party united fronts and members and warned that its faction, which is based in Laos, will send Duc Cong units to operate in the Thai district. The words "Duc Cong" should tell you where that communist unit comes from—certainly not from Laos or Cambodia. It is not difficult to guess what language it is.

There are also reports that a new CPT operational zone in Mae Hong Son Province has conducted arms and tactical training for its members to organize them as an armed force. There are also operations aimed at persuading people to join the movement, by organizing tasks that duplicate the function of government units. In this scheme, the government-run cattle bank and the Green Northeast program have been duplicated by the new CPT operational zone to confuse the local people; for example, to confuse them into thinking that the said bank is a CPT program.

The new CPT faction cadres have also tried to infiltrate the former CPT defectors, who are called the participants in Thai national development. These cadres exploit past friendship with these defectors by citing old relationships during their struggle against the government in order to rekindle the old psychological scar, despite the fact that the government has fully pardoned these defectors.

There are reports that the new CPT faction cadres have considered selecting local community leaders for appointment as cadres in order to use them in a program to implement the united front strategy to control the newly organized masses. The reports also note that the communist cadres in Nan Province are inclined to join the new CPT faction cadres because they have not received the support they once received from the old party.

Listeners, we present the activities of the new communist party faction not because we want to revive the fear of the communists. We merely want to remind you not to be careless. [passage omitted]

*** Patent Protection for Pharmaceuticals Viewed**

42000034C Bangkok THE NATION in English 27 Nov 89 p 17

[Article by Jeerawat Krongkaew: "Second Bid Next Month on Protecting New Drugs"]

[Text] The Food and Drug Administration [FDA] will meet with two key drug industry associations on December 8 in a second attempt to secure agreement between Thai and foreign pharmaceutical manufacturers over measures to protect new drugs against counterfeiting.

Regulatory measures designed to give temporary protection to new drugs were to take effect on Oct 1, but a deadlock in the negotiation process developed after U.S. companies failed to attend a crucial meeting with the Food and Drug Administration.

Moreover, earlier consultations between the Pharmaceutical Products Association (PPA), which represents foreign drug companies, and the Thai Pharmaceutical Manufacturers Association (TPMA) had failed to settle differences between the two associations.

Dr Vaivuth Thanejworakul, TPMA president, told THE NATION that he was totally dissatisfied with the outcome of the Nov 5 meeting with Thai Food and Drug Administration officials, saying the proposed interim measures were ambiguously worded, and opened up the possibility of interest groups taking advantage of them. He said that the definition of "new drugs" was vague.

The temporary measures replace the present pharmaceutical patent law which is being revised by a subcommittee chaired by Permanent Secretary of the Commerce Ministry Bejr Isarasena. The existing regulations require local manufacturers of generic drugs, or re-produced drugs, that are registered by local companies, to conduct bioequivalence tests on human beings.

Vaivuth believes that the requirement should only be applied to specific types of generic drugs.

His opinion clashes with the stance taken by the special sub-committee, which wants to impose bioequivalence checks on all generic drugs. Vaivuth said that the requirement indicates that the legislators are lacking in medical knowledge.

The December 8 meetings will be modelled on past meetings. In the past, negotiations between FDA officials and representatives of the PPA and PTMA were held separately but on the same day. The separate meeting are designed to avoid a direct confrontation between the two groups.

Representatives from foreign embassies will be allowed to participate as observers.

Vaivuth contends, however, that the presence of foreign observers will put TPMA negotiators at a disadvantage.

The Bangkok-based Pharmaceutical Products Associations, which acts on behalf on foreign drug companies, is dominated by American companies. A handful of Japanese and European companies are also represented.

"I don't expect any substantial agreement from the next meeting on Dec 8," added Vaivuth.

Wanida Jitman, PPA executive director, was more optimistic, noting that the parties showed greater flexibility at previous talks. "However, we need to come to a common understanding regarding the definitions."

She warned that FDA officials should start a process that would permit local manufacturers to conduct bioequivalence tests on generic drugs.

This would allow the drugs to be officially registered only after unconditional approval had been granted regarding the drugs' safety.

Wanida noted that the American Food and Drug Administration recently tightened control on generic drugs after a Denver-based pharmaceutical company re-produced a drug for epilepsy that produced dreadful side-effects.

Nevertheless, she welcomed the government's move to allow both local and foreign pharmaceutical firms to voice their opinions. She expected that the next meeting will see representatives from the two associations discuss their differences in detail.

The meeting on Dec 8 will also consider whether the two-year safety monitoring for new drugs is sufficient and appropriate.

Vietnam

Nguyen Van Linh Greets JCP Leader's Birthday

BK2501154290 Hanoi VNA in English 1501 GMT 25 Jan 90

[Text] Hanoi VNA Jan. 25—Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee, today extended his warmest congratulations to Tetsuzo Fuwa, president of the presidium of the Japanese Communist Party (JCP), on his 60th birth anniversary.

In his message, Nguyen Van Linh wished the JCP still greater successes in its struggle for the interests of the Japanese working class and people as well as for the common cause of peace, national independence, democracy and socialism the world over.

He also wished further development for the militant solidarity and friendship between the Communist Parties and peoples of Vietnam and Japan.

Nguyen Co Thach Attends Indian Reception

BK2501155990 Hanoi VNA in English 1505 GMT 25 Jan 90

[Text] Hanoi VNA Jan. 25—Indian Ambassador J. Chandra Sharma gave a reception here today in honour of India's 40th Republic Day (Jan. 26).

The guests included Nguyen Co Thach, vice chairman of the Council of Ministers and foreign minister; and Mrs Nguyen Thi Dinh, vice president of the State Council.

Toasts were raised to the further development of the friendship and cooperation between Vietnam and India.

Leaders Visit Ho Chi Minh Mausoleum for Tet

BK2501151390 Hanoi Domestic Service in Vietnamese 1430 GMT 25 Jan 90

[Text] On the occasion of the Tet Canh Ngo [Year of the Horse] festival on 25 January, Comrades Vo Chi Cong, Do Muoi, Pham Van Dong, Hoang Quoc Viet, Le Duc Anh, Nguyen Quyet, Dam Quang Trung, Vu Oanh, and many other comrades of the Communist Party of Vietnam [CPV] Secretariat and the Councils of State and Ministers—on behalf of the CPV Central Committee, the National Assembly, the Councils of State and Ministers, and the Vietnam Fatherland Front Central Committee—paid a floral tribute to President Ho Chi Minh at his mausoleum.

On the same day, delegations from the Armed Forces, the people's police, the Hanoi municipal party and people's committees, and many agencies, sectors, and branches at the central level and in Hanoi, also paid floral tribute to President Ho Chi Minh.

Nguyen Thanh Binh Pays Tet Visit to Haiphong

BK2601084590 Hanoi Domestic Service in Vietnamese 2300 GMT 25 Jan 90

[Text] Comrade Nguyen Thanh Binh, member of both the Political Bureau and Secretariat of the party Central Committee, on 24 January visited and extended Tet greetings to the party organization and people of Haiphong.

While in Hong Bang urban ward, where he used to engage in revolutionary activities 50 years ago, Comrade Nguyen Thanh Binh thoughtfully inquired about the life of cadres, the people, and various families of revolutionary veterans and war invalids and fallen combatants.

At the shoe enterprises union, Comrade Nguyen Thanh Binh stopped by at each machine shop to ask workers about the work situation as well as preparations for the traditional lunar new year. Later, when visiting the machinery plant, he was briefed by key cadres on the developments at the plant which, from the time when they were faced with the danger of ceasing production, had surged forward to improve equipment and seek markets for two new items—small lathing and drilling machines. To date, the machinery plant has exported 200 drilling machines and 20 small lathing machines to the Soviet Union in support of development of the family economy.

At a get-together to extend Tet greetings to cadres and revolutionary veterans, Comrade Nguyen Thanh Binh spoke highly of the initial achievements of the city party organization and people, especially in local industrial production.

Pointing out the position and significance of 1990, Comrade Nguyen Thanh Binh urged all local party leaders—from the party committee to grass-roots party organizations—to change the contents and methods of guidance, eliminate bureaucratism and the practice of duplicating work among state agencies, foster democracy and openness in all domains of socioeconomic life, and ensure the principle of democratic centralism in party activities.

He said: Cadres and party members, especially leading cadres, must play an exemplary role in studying and abiding by the law. Each grass-roots party organization must firmly adhere to the principle that leadership is subject to inspection, and strictly enforce party discipline against party members or party organizations found guilty of advocating bureaucratism, alienating themselves from the masses, taking advantage of authority to practice corruption.

Nguyen Khanh Pays Tet Visit to Hanoi Theaters

BK2601064490 Hanoi Domestic Service in Vietnamese 1430 GMT 25 Jan 90

[Text] On the occasion of the 1990 new year and the lunar new year of the horse, on the evening of 25 January Comrade Nguyen Khanh, member of the Party Central Committee and vice chairman of the Council of Ministers, visited and extended Tet greetings to artists, performers, cadres, and personnel of the Vietnamese modern opera house, the Vietnamese popular opera house, and the Vietnamese classical opera house in Hanoi. Accompanying him on the visit was Tran Van Phac, minister of culture.

Comrade Nguyen Khanh solicitously inquired about the daily life and other activities of cadres and performers of the three opera houses and expressed the hope that they will welcome the new spring with new prospects for the national art.

At the classical opera house, Comrade Le Ngoc Quynh, director of the opera house, briefed Vice Chairman of the Council of Ministers Nguyen Khanh on the efforts exerted by cadres and performers of the opera house to preserve and develop the nation's traditional theatrical art while boldly borrowing money to compile new plays for the performance and enhancement of this art. However, due to limitations in terms of financial status, the compilation of new plays and the preservation and collection of some old plays left behind by artists are still

confronted by numerous difficulties and still need the help of the culture sector and the state.

On behalf of the party Central Committee and the Council of Ministers, Comrade Nguyen Khanh said: In recent years, because they had to concentrate on ironing out serious economic difficulties, the party and government failed to devote themselves earnestly to the domains of cutlure and life. As an immediate step, the budget for the culture sector in 1990 will be increased by some 40 percent over the previous year.

Comrade Nguyen Khanh also urged performers and cadres of these national theaters to concentrate on preserving and further enhancing the traditional artistic assets of the nation to serve their compatriots.

Nguyen Van Linh Article on Revolutionary Task

BK2601073890 Hanoi VNA in English 0624 GMT 26 Jan 90

[Text] Hanoi VNA January 26—"The Vietnamese people are determined to build a scientific socialism for the people and by the people," said Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee, in an article for the special issue of the "SAIGON GIAI PHONG" (liberated Saigon) on the occasion of the coming Lunar New Year festival (January 28)

Referring to the immediate urgent tasks, Nguyen Van Linh said: "To curb and roll back inflation is the most urgent and crucial task. At the same time, we will do our best to preserve peace and create the necessary conditions and environment in which the country may advance by firm steps. To this end we have to broaden democracy and urgently renovate in the organisation and mode of activity of the party, state and mass organizations. To make the party strong politically, ideologically and organizationally, we have to renovate party leadership in both contents and method. This is the decisive factor to ensure success for our renovation."

Touching upon the current international situation, Nguyen Van Linh said:

"The socialist revolution in Vietnam is inseparable from the world situation. More than ever before, it must be carried out in the light of the revolutionary and scientific tenets of Marxism-Leninism and of the Vietnamese realities.

"We must not at any time relax our revolutionary vigilance since imperialism and international reaction have at no time relaxed in their efforts to sabotage the world revolution.

"Matching words with deeds, the party reaffirms the necessity of renovation and will do all it can to push it ahead along a correct line and with firm steps.

"Renovation is aimed at effectively materializing the objectives of socialism along a correct understanding on socialism and in line with the universal laws on the evolution of the human society. We should avoid voluntarism in any form, or conservatism, stagnation and inertia. At the same time, we resolutely oppose the tendency to overhastiness and demagogy. We should guard against and denounce in time all demagogic schemes in various disguises and which are aimed at distorting the ultimate goals of socialism and Marxism-Leninism."

In celebration of the coming birth centenary of President Ho Chi Minh (May 19) and the 60th founding anniversary of the Communist Party of Vietnam, Nguyen Van Linh called on the entire party and people from the party Central Committee and the Council of Ministers to the grassroots organizations, from party members to ordinary people, to learn from President Ho's example and take his ideology as a lodestar to bring the country forward to socialism.

"Socialism is the inevitable path of our nation. Socialist construction is the clear-sighted option of President Ho and our party. Socialism in our country must be scientific socialism, the wisdom, the soul and sentiments of our people. Its objective and motive force are nothing else but our people," Nguyen Van Linh stressed.

Council Hears Mountain Regions' Reports

BK2501115990 Hanoi Domestic Service in Vietnamese 0500 GMT 23 Jan 90

[Text] On 19 and 20 January in Son La City, the Council of Ministers held a working session with representatives of Lai Chau and Son La Provinces to discuss measures for the implementation of Political Bureau Resolution No 22 on economic and cultural development in the mountainous regions.

On behalf of the Council of Ministers, Comrade Dong Sy Nguyen, party Central Committee Political Bureau member and Council of Ministers vice chairman, heard reports by Comrades Lo Van Inh and Luong An, people's committee chairmen of Lai Chau and Son La respectively, on the socioeconomic situation in the two provinces in the recent past and their orientations for economic development in the days ahead.

Also attending the working session were comrade leaders of the forestry, agriculture, water conservancy, and communications, post and telegraph services, and representatives from a number of sectors in the provinces.

Because they are situated in the country's northwest, Lai Chau and Son La have been confronted with numerous difficulties arising from natural conditions. However, in recent years, especially 1989, these two provinces underwent considerable changes in the domain of agricultural production.

In 1989, due to a bumper crop as well as to renovation of the management mechanism, Lai Chau and Son La were able to initially stabilize the grain situation. Since then,

livestock breeding has developed satisfactorily and favorable conditions have been created for expanding the area of industrial crops such as tea, coffee, and fruit trees. Generally speaking, the economic situation and livelihood of cadres and multiethnic people in the two provinces have been initially stabilized.

However, Lai Chau and Son La are currently encountering numerous difficulties in the process of shifting themselves from a self-sufficient economy to a commodity economy. There is a serious shortage of electricity sources, and communication links with various localities, both inside and outside the two provinces, are plagued with difficulties and complexities. Meanwhile, the number of cadres is not sufficient and the source of self-acquired funds is too small.

In 1990 and subsequent years, Lai Chau and Son La will concentrate on eliminating difficulties and definitely tackling various issues, especially the issue of grain—for which efforts must be made to keep it at a stable level as it is at present.

Investment will be focused on a number of major farmland water conservancy projects—such as Chu Long, Suu Han, and Na Sa conservancy projects in Son La, and Nam Huong in Lai Chau—so that they can be completed and put into use at an early date.

As far as agriculture is concerned, the two provinces will strive to satisfactorily preserve watershed forests in the area of Da River, while adopting measures to rapidly decrease the area of upland rice and stepping up afforestation to save forest resources from further exhaustion.

After hearing the views presented by the two provinces and various sectors at the central level, Comrade Dong Sy Nguyen pointed out some of our party's views on economic development in the mountainous regions and the issue of national unity in the process of advancing these regions to socialism. He suggested that concrete measures be adopted by all of the central-level sectors concerned to effectively help Lai Chau and Son La, while expressing the hope that the party organizations and people of these two provinces would rely mainly on their own strength to advance forward.